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Paul Eliopoulos, left, and his wife, Angela, of Washington, with a Canadian friend, Jean Louis Pellerin, at Baghdad's airport Sunday. They had not seen him since Aug. 2.

If It Comes to Peace: Keeping Iraq Under Control

By John M. Goshko
Washington Post Service

WASHINGTON — Although uncertain how the Gulf crisis will end, administration officials have started thinking about how to deal with Iraq after its troops have been removed from Kuwait.

The officials caution that this planning effort is in a preliminary stage, and that the few scenarios discussed informally assume that President Saddam Hussein of Iraq will agree to withdraw peacefully from Kuwait before Jan. 15, after which the United Nations Security Council has authorized the use of force.

Officials say they worry that even if Iraq pulls out of Kuwait, Mr. Hussein will retain his sizable arsenal of conventional and chemical arms and the potential for developing a nuclear weapons capability.

Secretary of State James A. Baker 3d, in testimony before the Senate Foreign Relations Committee, said, "One of the things that troubles us in the aftermath of a simple restoration of the status quo ante is the risk to the region, indeed to the world, from the chemical and other weapons of mass destruction capabilities that Iraq either has or is developing."

To block Iraq from future military adventures and limit Mr. Hussein's ability to expand his arsenal, the State Department is beginning to explore what constraints on the acquisition of weapons might be imposed on Iraq and what new security arrangements might be structured for the Mideast.

The national security adviser, Brent Scowcroft, said on a CNN television program that "I think we would certainly, certainly take some steps to deal with" containing Iraq's military power after the Kuwait crisis.

Mr. Scowcroft said he believed the Security Council would play a role, and that it was possible that sanctions would be kept on Iraq.

An official involved in U.S. policy-making in the Middle East said the idea of inducing Iraq to enter into some kind of arms limitation agreement had been discussed among U.S. officials and in talks with governments cooperating in the multinational alliance against Iraq.

"We know that whatever happens, we don't want to leave an Iraq that has an enormous military capability," the official said. "We have to start looking at ways to get them to cut their conventional arms and to join in agreements limiting chemical weapons. We have to figure out how to get an effective nuclear nonproliferation agreement that will apply to Iraq."

But some members of Congress, along with many midlevel U.S. officials and Middle East experts outside government, say the administration has been remiss in not giving a higher priority to the problem of what one official termed "the world after Kuwait."

In addition to issues of arms control and the spread of nuclear weapons, critics say there is an urgent need to think about what happens if the confrontation in the Gulf turns into a shooting war that causes extensive death and destruction in the region and leads to a long-term occupation of Iraq.

"I have seen no discussion of what the aftermath of a military operation is going to be," Senator Paul S. Sarbanes, Democrat of Maryland, told Mr. Baker at the Senate hearing.

See PEACE, Page 6

Ground, Not Air, Is Center Stage in U.S. War Plan

By Rick Atkinson and George C. Wilson
Washington Post Service

WASHINGTON — For the first time since the Gulf crisis began more than four months ago, the Bush administration warmed publicly last week that a full-scale ground war would be the centerpiece of its military strategy if force becomes necessary to drive Iraq from Kuwait.

Such a strategy would reflect a shift away from surgical air strikes, carpet bombing and other "face, rattle, allegedly low-cost, incremental, may-work" options that are floated around with great regularity all over this town, said General Colin L. Powell, chairman of the Joint Chiefs of Staff, put it in congressional testimony.

Instead, General Powell and other senior officials left the clear impression that the administration regarded a violent, destructive overland war — possibly involving the greatest tank battle in the history of warfare — as the only certain means of destroying the Iraqi Army or forcing it to retreat. Air power, although vitally important, would not be enough under this view.

That message was obviously directed in part at the Iraqi leader, Saddam Hussein, but it coincided with the strong preference of senior U.S. commanders. Final decisions about the kind of attack the United States might launch would ultimately be made by President George Bush.

Winning a combined air-and-land war presumes that U.S. air power would control the skies from the first day and would continue to pound Iraqi strong points and communication centers day after day. It also presumes that fast-moving U.S. forces guided by up-to-the-minute intelligence on enemy movements would have the advantage of surprise attack, and that dug-in Iraqi forces would remain comparatively immobile and unable to patch holes that allied forces punch in their defenses.

Pentagon officials say this U.S. war-fighting strategy is likely to have several consequences:

- The war would last months, rather than days or weeks, unless Mr. Hussein unexpectedly surrenders. Admiral William J. Crowe Jr., former chairman of the Joint Chiefs of Staff, said the air campaign itself could last from 30 to 45 days.
- U.S. casualties would number in the thousands, rather than scores or hundreds.
- Before the first shot is fired, General Powell and his commanders will be confident enough of victory to assure Mr. Bush that Iraq will be ousted from occupied Kuwait. "We can't guarantee the price, but we can guarantee the outcome," a Pentagon official said.

The plans were drafted by General H. See WAR, Page 6

Baker Presses Baghdad On Timetable for Talks As More Hostages Leave

More Than 500 Fly Out of Iraq

He Sets Jan. 3 Cutoff For Meeting in Iraq

By Dana Priest
Washington Post Service

BAGHDAD — More than 500 former American and European hostages flew out of Iraq on Sunday, including at least 75 to 80 weary, traumatized Americans who had just come out of hiding in Kuwait.

Looking stunned and physically weak, the former captives in Kuwait, including dozens of British citizens, were joined at the Baghdad international airport by American and European hostages who had either been bused to Baghdad on Sunday morning from strategic sites where they were held in an effort to deter a U.S. attack, or had been brought in earlier to meet relatives.

One group of 324 former hostages, who departed for Frankfurt aboard an Iraqi Airways Boeing 747 jet, included 12 to 15 Americans who had been living for months at the U.S. Embassy residence in Baghdad. In all, 176 Americans were on board the flight, 13 of them relatives of U.S. hostages who had come to Baghdad last week to appeal for their release.

Former captives in Kuwait spoke of days spent hiding from Iraqi soldiers and looters in attic crawl spaces, air ventilation ducts, dark stairwells and fire escapes. There were men who saw soldiers kill Kuwaitis in the streets, others who had heard daily firefights.

Many said the constant pressure of not knowing when the next knock would come at the door, had made them think about giving themselves up. One man entertained himself by playing tennis against a bedroom wall, another played solitaire. Many listened to and recorded Voice of America messages from loved ones at home and replayed them over and over when the loneliness seemed unbearable.

The former hostages in Iraq told of being held throughout the countryside at power stations, a dam, at factories and a uranium production installation. "We were like babies, we had to ask for everything, for food, to go to the toilet," said Don Fisher, a Briton who was held in northeastern Iraq until Sunday.

On Thursday, President Saddam Hussein of Iraq announced his intention to allow Western and Japanese hostages to leave the country. He apologized for keeping them, but said they were necessary to forestall military action by the West until Iraqi forces were in full force in Kuwait. Iraq invaded Kuwait on Aug. 2 and now refers to it as an Iraqi province.

A Western diplomat closely siding in the evacuation process said Sunday that he expected "a spirit of cooperation" from the Iraqi government in organizing the departure and that the only real problems were typical "bureaucratic hang-ups."

Gale Roges, a counselor affairs officer at the U.S. Embassy in Kuwait who accompanied the Kuwaiti group to Baghdad, said three diplomats from the embassy were leaving on the flight, leaving five others behind. The State Department has said that all staff will vacate the embassy as soon as officials are contacted.

By Paul F. Horvitz
Interpreting Herald Tribune

WASHINGTON — Challenging Iraq to meet a demand for early talks, Secretary of State James A. Baker 3d offered on Sunday to sit down in Baghdad with President Saddam Hussein anytime from Dec. 20 to Jan. 3 and said a later date would be "unacceptable."

Although the Iraqis have suggested Jan. 12 for the talks — three days before the United Nations deadline for Iraq's withdrawal from Kuwait — there was at least one indication Sunday that Baghdad would yield to the American demand or present a compromise.

Iraq's UN representative, Abdul Amir Anbari, said in a broadcast interview before Mr. Baker spoke that the apparent dispute over the date for talks in Baghdad was "a marginal issue" and that "it should be no problem to find a more suitable date." He did not rule out a meeting as early as Jan. 3.

The timing of the talks in Baghdad is important to both sides. A later date could jeopardize the impact of the Jan. 15 deadline if the Iraqi president paraded out of the country.

Business is suffering in eastern Saudi Arabia as a result of the Gulf military blockade. Page 15

over several days or weeks, various options to the Americans short of a complete withdrawal from Kuwait.

European leaders have expressed an interest in going to Baghdad after the Baker-Hussein talks. The scheduling pressure could also jeopardize the deadline's impact.

In the meantime, cheery scenes of freed hostages enjoying the Christmas and New Year's holidays with their families could soften public resolve in the United States to force Iraq out of Kuwait militarily. Voices of caution from Democratic leaders in Congress continue to grow.

American officials took care on Sunday to avoid any suggestion that the Iraq-U.S. talks would amount to a negotiation. They stressed the need to show the American people and the world that diplomatic measures would be exhausted before a decision was made on whether to use military force against Iraq.

But Mr. Baker restates American willingness to permit direct Iraq-Kuwait negotiations after an Iraqi withdrawal from Kuwait. Such negotiations, he said, would take place in the framework of a broad security arrangement in which the United States and other nations in the Gulf would prevent belligerent tactics by Iraq.

Brent Scowcroft, the White House national security adviser, said in a broadcast interview on Sunday that he was not confident that an acceptable date could be set for the Iraq-U.S. talks.

Mr. Hussein, said Mr. Scowcroft, "is, in a way, at the moment of truth. He has to get out. He has to get out by Jan. 15. He cannot play games."

Mr. Baker, interviewed separately, said: "We will See BAKER, Page 6

Kiosk

Albania Police Battle Students

VIENNA (Reuters) — Students calling for change and chanting "No dictatorship" clashed Sunday with the police in the Albanian capital, Tirana.

Witnesses said the confrontation occurred when riot policemen with riot sticks surrounded from 500 to 1,000 students marching toward the city center and charged. It was the first known anti-government student protest in Albania, Europe's last Communist state.

General News

Joan Bennett, the movie actress who became a femme fatale, is dead at 80. Page 5.

Business/Finance

Volkswagen beat out Renault to join forces with Skoda of Czechoslovakia. Page 9.

Monday Q&A

Paul Kreisberg, an Asia expert, discusses the region's changing relationship with the United States. Page 2.

Walesa Sweeps to Presidency

Early Results Give Polish Solidarity Leader 75% of Vote

Compiled by Our Staff From Dispatches

WARSAW — Lech Walesa won a landslide victory over Stanislaw Tyminski on Sunday in Poland's first democratic presidential election, preliminary results showed.

Partial results broadcast by state television shortly after the polls closed in the run-off gave Mr. Walesa 75 percent of the vote to 25 percent for Mr. Tyminski, an emigre businessman unknown in Poland before the campaign.

The results from nearly 300 of the 22,000 polling stations confirmed findings of an independent exit poll and brought Mr. Walesa an immediate telegram of congratulations from the man he will replace, General Wojciech Jaruzelski.

Mr. Walesa was in a confident mood when he voted near his home in Gdansk, where the Solidarity trade union was born.

"I voted for the best one," he said after casting his ballot with his wife, Danuta, and the second of their eight children, Slawomir, 18. Mr. Tyminski said nothing when he voted in the village of Pecice outside Warsaw with his Peruvian wife, Graciela.

Turnout was estimated at 55 percent.

Mr. Walesa, the 1983 Nobel Peace Prize laureate, had asked voters to give him a broad mandate to lead the country to a market economy and a European-style democracy.

Mr. Tyminski, 42, appeared to have been damaged by numerous questions raised about him at the end of the campaign. His political tract was co-written with a former correspondent for a Communist newspaper, and he acknowledged that several ranking campaign aides were Communist Party members or veterans of the secret police.

In the first round, Mr. Walesa split the Solidarity movement in his rivalry with Mr. Mazowiecki.

(Reuters, AP)



An Israeli border policeman sprinting past a resident Sunday at a Palestinian refugee camp.

Coming Soon: Some Hard Lessons About Software

By Evelyn Richards
Washington Post Service

WASHINGTON — It was exactly 2:25 P.M. on Jan. 15 when, out of the corner of his eye, Jim Nelson spotted an alarming sea of red spreading across the screens of 75 video monitors in the control center of AT&T's long-distance network.

The screens are normally filled with bland charts and maps of the United States. For Mr. Nelson, the manager of the AT&T center in Bedminster, New Jersey, the red warning signals were an unmistakable sign of crisis.

"We have the big one!" an assistant exclaimed.

The nation's largest telephone network had virtually collapsed, blocking millions of Americans from making long-distance calls for nine hours and sending a team of more than 100 technicians on a frantic search for the cause.

They found it in the software that controls the system's computers and electronic switches — a small, undetected error in the web of instructions that tell the equipment what to do. An unexpectedly heavy flow of calls had overwhelmed a weak point in the system, and AT&T computers, lacking instructions on how to deal with the overload, simply shut down.

The calamity that struck AT&T that day is the kind that many experts have increasingly come to fear as software reaches deeper into everyday life. In a generation's time, software has emerged as the ubiquitous control system of an automated society, a \$125-billion-a-year industry that is an essential underpinning of America's economic and political standing.

Software controls banking and airline reservations networks and is critical to U.S. defense systems. It decides when to buy and sell huge blocks of stock. It is buried inside videocassette recorders and the dashboards and fuel systems of automobiles. It lets lottery winners and flushes toilets in the new Boeing 747-400. It helps physicians select and administer treatments. And, by crunching billions of instructions each second, it can simulate man's genetic makeup or predict hurricanes.

A miracle of human ingenuity, software

anytime, anywhere in the West Bank or the Gaza Strip over the last three years when he said, "We will keep our intifada going until we win our state from the Israelis."

But now many Israelis are suggesting similar solutions to the shared dilemma.

"We must now recognize the fact that coexistence with the Palestinian population of the territories in one political framework has no chance," Yitzhak Rabin, who was defense minister when the intifada began on Dec. 9 1987, said Sunday, echoing a spreading view among Israelis. "The only chance is through the solution of separation, provided Israel will enjoy peace and security."

Mr. Rabin and others advocate giving up parts of the West Bank and Gaza, although they do not espouse the formation of a Palestinian state.

But growing numbers of Israelis are suggesting a more extreme solution. In a poll published Sunday, the Hamoch Smith research center found that 49 percent of the nation's Jewish population favored expelling the Palestinian residents.

Arab-Jew Point of No Return?

By Joel Brinkley
New York Times Service

BEIT SAHUR, Israeli-Occupied West Bank — As the Palestinian uprising began its fourth year on Sunday amid a climate of unparalleled mutual suspicion, hatred and fear, for the first time both sides, Arab and Jewish, have settled on the conclusion that they want a divorce.

The idea has always been a common part of Palestinian rhetoric. On Sunday, Mahmoud Kilani, a 34-year-old merchant in Beit Sahur, could have been speaking at

See SOFTWARE, Page 2

See ISRAELI, Page 6

2000 الالام

Throughout Asia, Changing Relationships With the U.S.

Paul Kreisberg, senior associate at the Carnegie Endowment for International Peace in Washington, has been a longtime Asia specialist. In Singapore recently, he discussed the changing balance of power in the region with Michael Richardson of the International Herald Tribune.

Q. Are U.S. power, influence and interest in Asia on the decline?

A. The interest of the U.S. government in Asia remains high. But the attention and interest of the general public and Congress is declining, mainly because of increasing concern about economic, social and political problems at home.

Q. With the Soviet Union also in strategic retreat, will a waning U.S. focus on Asia throw the regional power balance out of kilter?

A. Both the superpowers have been weakened by their global contest. What we are seeing now is an increasing pluralization of economic and political power in Asia.

Q. What are the likely consequences?

A. I do not see any country in Asia

trying to emulate Iran or Iraq with religious evangelism or social-ideological and regional ambitions which they want to pursue.

Japan has a strong economic agenda which it is achieving through trade, investment and cooperation. It would be

MONDAY Q&A

counterproductive to expand that to include military influence in the region.

China has enormous domestic economic and political problems. It has not been an expansionist power in this area of the world in modern times.

Vietnam is exhausted after 40 years of war. I do not see India extending its military reach into Southeast Asia, largely because it has overwhelming concerns at home.

Q. Many countries in East Asia want a continuing U.S. military presence in the region as a stabilizing factor. How can this best be achieved given nationalist sensitivities in Asia and cuts in military spending in the United States?

A. A U.S. presence is a political concept. It does not have a particular number of American servicemen, warships or aircraft attached to it. I think that today we could have a perfectly adequate presence with half the number of forces we had five years ago.

Q. Are bases in East Asia and the Western Pacific needed to maintain a diminished and scattered U.S. military deployment?

A. Points of access, ports of call and airports of touchdown would be sufficient. That is the kind of new relationship which the United States has just finished negotiating with Singapore.

It is also likely that American forces will continue to have access to facilities in the Philippines. So U.S. forces will be seen in a far more visible way in the area than those of any other major foreign country for the foreseeable future.

Q. President Mikhail S. Gorbachev will visit Japan in April. What are prospects for rapprochement between Moscow and Tokyo?

A. Relations between the two countries

are increasingly held hostage to the level of political stability in the Soviet Union. It is still possible that there will be mutual concessions leading to the full or partial return to Japan of the four disputed islands off Hokkaido.

Q. Would development of better political relations and closer economic ties with the Soviet Union encourage Japan to become more assertive in its dealings with the United States and Asia?

A. That might appear to be a likely consequence, since Japan attached great importance to the U.S. security umbrella as protection against the Soviet Union. But the economic relationship that Japan has with both the United States and Asia have become so extensive that Japan will be reluctant to adopt an independent course.

The Japanese understand that a totally independent Japanese security policy would be enormously destabilizing. It would alarm Asian countries and stimulate resistance to Japanese economic activities in the region.

It might also make it more difficult for Japan to preserve its economic relation-

ship with the United States by stirring up a new wave of anti-Japanese feeling based on security and political issues, rather than the economic issues which are already creating frictions.

Q. The Bush administration champions a "global partnership" between the United States and Japan. Is it working to the benefit of both nations?

A. The administration says it is working and that Japan contributes to international diplomacy through aid, funding peacekeeping efforts and so on. But there is a popular perception in the United States, reflected in both Congress and the press, that this global agenda is benefiting Japan more than America and is likely to continue to do so.

Japan is seen to be picking and choosing the issues in which it wishes to be engaged. There is a growing resentment about this in the United States that will intensify enormously should the Gulf crisis erupt into war. The feeling is that Japan is paying cash to gain protection for which Americans will die. That could be a very tough issue.

Food Reported Backed Up in Moscow Rail Yards

Reuters

MOSCOW — Thousands of railcars and containers packed with supplies are languishing in Moscow railway yards while shortages grow in the city's factories and shops, Soviet newspapers said Sunday.

The buildup at the rail yards, and bottlenecks at ports, point to serious problems that could face Western organizations hoping to channel aid to the Soviet capital.

"The situation, to be frank, is catastrophic," the Communist Party newspaper Pravda quoted a transport official as saying.

Pravda said that Moscow railway sidings had become a graveyard for urgently needed goods. A survey on Saturday disclosed that 20,000 containers and 300 railcars were waiting to be relieved of loads ranging from bananas and clothes to medicine, wine and tobacco. In all, 23,500 tons of goods were blocked in the yards.

The newspaper said that more than 100 railcars of meat brought from abroad to help fill empty shops had been abandoned on a siding for two weeks. The intended recipient, the Ostankino meat fac-

tory, was unable to cope with production and had no storage space, it said.

Some railcars had been standing abandoned since July while others, holding belongings of Soviet servicemen sent from Eastern Europe, could be traced back as far as 1986.

Explanations for the dismal state of affairs varied. Officials said that there were not enough drivers or trucks to take the goods away, or that factory stores were often too jammed with produce to take more. "And yet shop shelves are empty. Why?" Pravda asked.

Pravda's editor, Ivan T. Frolov, a member of the Communist Party Central Committee, said he blamed anti-Communist politicians rather than the collapse of the centralized economy.

"The Russian parliament ends a debate on food shortages by calling on deputies to turn out for a demonstration on Sunday," Mr. Frolov said in an interview. "The way I see it, they would be better advised to ask everyone to go out and help unload the wagons as did the early Communists, the Bolsheviks like to condemn," he said. "They like their meetings and slogans, but not work."

The city councils of Moscow and Leningrad, where radicals have been in power for several months, say they are victims of a deliberate blockade organized to thwart their plans for economic change.

Political wrangling between outlying districts and Moscow has aggravated the crisis. Agricultural regions have been reneging on agreements to supply the capital, arguing they need the goods to barter for their own machinery or building materials.

On the Line In Elections: Survival of Yugoslavia

By Blaine Harden

Washington Post Service

BELGRADE — The survival of Yugoslavia was an issue as voters in Serbia, the country's largest and most nationalistic republic, cast ballots on Sunday in the first free elections there since 1945.

The vote in Serbia, and in the smaller republic of Montenegro, concluded a revolutionary round of elections this year in the six republics of this ethnically fractured nation. So far, voters have dumped the old Communist system and instead chosen a pugnacious brand of nationalism.

Newly elected leaders in Slovenia and Croatia, the two richest and most Westernized republics, are demanding autonomy from the federal government in Belgrade. The two northern republics are threatening to secede from Yugoslavia if they cannot negotiate a fundamental weakening in federal power.

No official results from the elections Sunday are expected before Monday.

In a report leaked in Washington last month, the Central Intelligence Agency predicted that Yugoslavia would split apart within 18 months and that civil war was likely. Politicians and diplomats in Yugoslavia said the chances of the CIA scenario coming true depended in large measure on what Serbian voters decided on Sunday.

The election pits the governing Socialists, formerly Communists, of the Serbian president, Slobodan Milosevic, against more than 50 mostly anti-Communist opposition parties. The presidency, an office with near-dictatorial power, and all 250 seats in the legislature were being contested.

The election was developed into a far more emotional affair than other recent East European political races. Economic change, a subject of heated debate throughout most of the region, is a side issue in Serbia, where the central theme is nationalism.

Candidates who refuse to emphasize that Serbia is a great nation — a popular campaign song is "Whoever Says Serbia Is Small Is Lying" — are not considered serious contenders.

Mr. Milosevic, a career Communist who now campaigns in a sheltering cocoon spun by the state press, which he controls, first played the nationalist card three years ago.

Serbs, of whom there are about 8 million, have long felt like second-class Yugoslavs. The strategy of Tito, from the end of World War II until his death in 1980, was to keep the Serbs from asserting themselves as the largest ethnic group in the country of 23 million.

On a celebrated night in 1987, Mr. Milosevic broke Tito's spell when he told a crowd of Serbs, "Nobody will beat you again!" Since then, as he has consolidated power in a government that is characterized by his critics as Stalinist, Mr. Milosevic has become a Serbian folk hero.

Enemies are what Mr. Milosevic has specialized in making. Western governments say he is the person most responsible for pushing Yugoslavia toward civil war.

Mandela Meets With de Klerk

Reuters

JOHANNESBURG — President Frederik W. de Klerk and Nelson Mandela of the African National Congress said Sunday that they had made "significant progress" in their attempt to stem a wave of violence in South Africa's black townships.

In a joint statement, Mr. Mandela, the ANC deputy president, and Mr. de Klerk said that in talks Saturday they had agreed on their commitment to peaceful negotiation, rejecting violence as futile and destructive, and had identified the need for urgent steps to be taken.

They gave no details, but said they would focus on two aspects of a pact reached in August. One clause stated that the ANC would suspend armed action. The other said that a working group would try to resolve speedy all obstacles in the way of negotiation.

WORLD BRIEFS

Army Patrols Hyderabad After 52 Die

HYDERABAD, India (Reuters) — Indian Army troops were sent into the southern city of Hyderabad on Sunday with shoot-on-sight orders after at least 52 more people were killed and about 200 were wounded in continuing Hindu-Muslim violence, officials said.

Hundreds of troops were sent into the streets to stop the violence, in which rampaging mobs attacked one another with knives, set fire to shops and looted them on Saturday night and Sunday. The attacks occurred despite a curfew that went into effect on Friday in the old city after 17 people were killed.

Troops were also reported to have been sent into Aligarh, in the northern state of Uttar Pradesh, where serious Hindu-Muslim tension was touched off by a dispute over a holy site. United News of India said 15 people had been killed in two days of sectarian violence in Aligarh.

Libyan Says U.S. Is Holding Captives

LAGOS (Reuters) — The Libyan foreign minister accused the United States on Sunday of holding 220 Libyan nationals from Chad as captives. "I'm here to tackle this problem with Nigerian officials," the minister, Ibrahim Mohammed Bashari, said ahead of a meeting with President Ibrahim Babangida.

Mr. Bashari said the Libyans were being held in northern Nigeria and were part of a group captured in Chad in 1987 during fighting between Libyan troops and members of the army of Hissene Habre, the former Chadian president. He said another 400 men, from a group that the United States says was opposed to Colonel Muammar Gadhafi, the Libyan leader, had been flown to Zaire after Mr. Habre was toppled last week by General Idriss Deby, a Libyan-backed rebel leader.

Rushdie Is Still a Target, Iran Says

NICOSIA (Reuters) — Iran said Sunday that Ayatollah Ruhollah Khomeini's death sentence against the British author Salman Rushdie was irrevocable.

The Islamic culture and guidance minister, Mohammed Khatami, said on Tehran radio that the ayatollah had "issued the verdict and view of Islam about Salman Rushdie."

"This verdict will by no means be reversed," he said. Mr. Rushdie, who appeared in public on Wednesday for the first time in nearly two years to sign copies of a new book at a London bookstore, was forced into hiding in Britain in February 1989 after Ayatollah Khomeini ordered Muslims around the world to kill him for what he said was blaspheming Islam in his novel "The Satanic Verses."

Kasparov Retakes the Lead in Chess

LYON (Reuters) — Garry Kasparov regained the lead on Sunday in his world title chess defense against Anatoli Karpov with a brisk victory in the second session of their adjourned 18th game.

Mr. Kasparov needed only seven minutes of thought to knock off 16 moves and wrap up what experts had regarded as a certain victory. The triumph gives him a lead of 9½ points to 8½, with three victories, two losses and 13 draws. He needs only a 12-12 tie to keep his title of champion.

"I wouldn't say it's over," said Bruno Carlier, a Dutch international master. He said that much depended on the next game of the 24-game series, which is scheduled for Monday, with Mr. Karpov having the advantage of the white pieces and the first move.

GAME 18

RUY LOPEZ

White	Black	White	Black	White	Black
Kasparov	Karpov	Kasparov	Karpov	Kasparov	Karpov
1. e4	c5	20. Qxb4	Rb5	39. f4	Re6
2. Nf3	Nc6	21. Qd4	Qd5	40. Qd4	Qe8
3. Bb5	Nd5	22. N4d4	Ra6	41. Re1	Re6
4. Bx4	Nf6	23. Qc3	c5	42. Qd3	Qf8
5. O-O	Be7	24. de	exd4	43. Re1	Rxd5
6. Re1	b5	25. Qxd4	Qc6	44. c4	Rd6
7. Bc3	a6	26. b4	b5	45. Qf5	Kg8
8. c3	O-O	27. R3	Re6	46. Rac7	Rf6
9. h3	Nd7	28. f3	Rd8	47. Qd7	Rd8
10. d4	Bf6	29. Rb3	Rb5	48. Qd8	Qd8
11. a4	Bb7	30. Rb2	Qb7	49. Rcd7	Qf8
12. Na3	b1	31. Nc2	Qe7	50. Rf4	Rf5
13. cd	Nb6	32. Qf2	Rg6	51. Rxf8+Kxf8	
14. Bf4	ba	33. Nc3	Qe5	52. Rd4	b5
15. Bxa4	Rxa4	34. Rbb1	Rd7	53. b5	Kd7
16. Qxa5	Ra5	35. Rb5	Qe7	54. b6	Kd7
17. Bd2	Re8	36. Ra7	Qd8	55. g4	Re6
18. d5	Nb4	37. Nd5	Kd7	56. hg	Rf6
19. Bxb4	ab	38. Kd2	Rd8	57. Rc4	Resigns

TRAVEL UPDATE

A strike in France over a pay dispute by air-traffic controllers will force Air France to cancel nearly half its European and North African flights on Tuesday and Wednesday, the airline announced. Air France's intercontinental flights will not be affected. The domestic airline Air Inter said it would cancel nearly half its flights.

The main union for Italian air-traffic controllers confirmed Sunday that a strike would be called Monday and Tuesday following a breakdown in negotiations with aviation authorities. The walkout is expected to affect both domestic and international flights.

The James Spriggs Payne airfield in Monrovia, Liberia, was reopened to commercial flights on Saturday, Liberian radio reported. The airfield had been closed since July, when rebel forces seeking to overthrow the former government of Samuel Doe arrived in the capital.

The first scheduled South African flight to arrive in Kenya in 23 years landed in Nairobi on Saturday, carrying mainly transit passengers bound for Bombay. Kenya agreed to allow weekly flights from Johannesburg on Nov. 30 when the South African foreign minister, R. F. Botha, visited Nairobi and assured Kenyan leaders of Pretoria's commitment to change its apartheid policies.

The State Department has advised all U.S. citizens in Somalia to leave the country as soon as possible, citing civil war and violent crime. Since Dec. 2, at least 20 people have been killed in Mogadishu, the capital of the East African country.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Angola, Equatorial Guinea, Namibia, Thailand.

WEDNESDAY: Kenya, Mauritania, Mexico.

THURSDAY: Malta.

SATURDAY: Nepal.

SUNDAY: Bahrain, Bangladesh, South Africa.

Source: J.P. Morgan, Reuters.

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Amsterdam	10	5	Bangkok	31	24
Athens	16	8	Berkeley	51	41
Berlin	14	6	Bombay	30	24
Brussels	12	4	Buenos Aires	29	19
Cairo	24	16	Calcutta	30	24
Cardiff	12	4	Chongqing	29	19
Chengdu	12	4	Dhaka	30	24
Copenhagen	12	4	Hankow	29	19
Dublin	12	4	Harbin	29	19
Edinburgh	12	4	Hong Kong	30	24
Fukuoka	12	4	Kobe	30	24
Geneva	12	4	London	10	5
Hamburg	12	4	Los Angeles	21	14
Helsinki	12	4	Manila	30	24
Istanbul	12	4	Medan	30	24
Kobe	12	4	Montevideo	29	19
Lima	12	4	Nairobi	29	19
London	10	5	San Francisco	29	19
Los Angeles	21	14	Sao Paulo	29	19
Madrid	12	4	Seattle	11	6
Moscow	12	4	Taipei	29	19
Mumbai	30	24	Tokyo	11	6
Nairobi	29	19	Yokohama	11	6
Paris	12	4			
Perth	12	4			
Rangoon	30	24			
Reykjavik	12	4			
Rome	12	4			
Seoul	12	4			
Shanghai	12	4			
Singapore	30	24			
Sydney	12	4			
Taipei	29	19			
Tokyo	11	6			
Yokohama	11	6			

MONDAY'S FORECAST — CHANNEL: Very dry. WIND: Very strong. TEMPERATURE: 12-22. LONDON: Rain or snow. TEMPERATURE: 12-22. PARIS: Snow. TEMPERATURE: 12-22. NEW YORK: Rain or snow. TEMPERATURE: 12-22. MADRID: Snow. TEMPERATURE: 12-22. MOSCOW: Rain. TEMPERATURE: 12-22. BEIJING: Rain. TEMPERATURE: 12-22. TOKYO: Rain. TEMPERATURE: 12-22. SYDNEY: Rain. TEMPERATURE: 12-22. AUCKLAND: Rain. TEMPERATURE: 12-22. SINGAPORE: Rain. TEMPERATURE: 12-22. HONG KONG: Rain. TEMPERATURE: 12-22. MANILA: Rain. TEMPERATURE: 12-22. BANGKOK: Rain. TEMPERATURE: 12-22. CALCUTTA: Rain. TEMPERATURE: 12-22. COLOMBO: Rain. TEMPERATURE: 12-22. DAKAR: Rain. TEMPERATURE: 12-22. LAGOS: Rain. TEMPERATURE: 12-22. NAIROBI: Rain. TEMPERATURE: 12-22. ADDIS ABABA: Rain. TEMPERATURE: 12-22. JOHANNESBURG: Rain. TEMPERATURE: 12-22. CAIRO: Rain. TEMPERATURE: 12-22. ACCRA: Rain. TEMPERATURE: 12-22. KAMPALA: Rain. TEMPERATURE: 12-22. NUYAKA: Rain. TEMPERATURE: 12-22. KINSHASA: Rain. TEMPERATURE: 12-22. LUSAKA: Rain. TEMPERATURE: 12-22. HARARE: Rain. TEMPERATURE: 12-22. GABORONE: Rain. TEMPERATURE: 12-22. BLOEMFONTEIN: Rain. TEMPERATURE: 12-22. PORT OF SPAIN: Rain. TEMPERATURE: 12-22. GEORGETOWN: Rain. TEMPERATURE: 12-22. KINSHASA: Rain. TEMPERATURE: 12-22. LUSAKA: Rain. TEMPERATURE: 12-22. HARARE: Rain. TEMPERATURE: 12-22. GABORONE: Rain. TEMPERATURE: 12-22. BLOEMFONTEIN: Rain. TEMPERATURE: 12-22. PORT OF SPAIN: Rain. TEMPERATURE: 12-22. GEORGETOWN: Rain. TEMPERATURE: 12-22.

Snowstorms Sock U.K., Continent

LONDON — Heavy snow cut services in parts of France, Spain and Switzerland on Sunday while Britain, already severely disrupted by snowstorms, braced itself for more bad weather.

Snow and ice made many British roads impassable on Sunday, and major rail services were cut. Helicopters scrambled to rescue drivers stranded along roadways in freezing temperatures. The police said the severe weather had caused at least seven deaths.

The British Army was called out to help repair power-line cuts that have left about 750,000 people without power.

In the Massif Central and Rhone Valley in central France, about 300,000 homes were without power, officials said. Heavy snowfalls in northern Spain forced traffic officials to close many mountain passes.

A London Weather Center spokesman said the cold front that showered France with snow was moving across Belgium and heading for England.



Drivers trying to free a car stuck in snow Sunday near Grenoble, France. About 300,000 French homes were without power.

SOFTWARE: As Society Asks More of Computers, the Glitch Will Become More Common

(Continued from page 1)

Instructions translate the tasks requested by humans into electronic commands that computers can follow. Software converted the keystrokes for this report into letters on a computer screen; other software converted those letters into type for this newspaper page. The computers involved in those operations are combinations of silicon chips and electronic parts that only software can activate.

Most software routinely performs as expected, but as society demands more and more from software and the computers it controls, errors and failures like AT&T's could easily become more common. According to scores of computer scientists and other specialists interviewed for this article, the ability of the United States to produce software on time and with high reliability is in jeopardy.

Software problems already affect many sectors of society. One of the most important is the Pentagon, whose weapons systems depend on some of the world's most elaborate computer programs. Another is human health, which can be threatened by faulty software. And at giant corporations, huge investments can be undermined by delayed and over-budget software projects, which are now routine.

The Bank of New York once had to borrow \$24 billion overnight from the Federal Reserve, incurring \$5 million in instant interest costs, because a software glitch left it without enough funds to balance its account with the Fed. Wells Fargo Bank in California vastly overstated the income of 22,000 employees in reports to the Internal Revenue Service because a programming error moved the decimal point two places to the right.

Last year, a mysterious defect paralyzed the American Airlines reservations system for nine hours. Though the carrier found the general problem area, it is still not certain precisely why the software ran amok.

Perhaps one-quarter of all software projects are so troubled that they are simply canceled in mid-stream, according to Software Productivity Research, consulting engineers in Cambridge, Massachusetts. The state of Washington pulled the plug last year on a seven-year, federally backed \$20 million automation effort designed to give social service caseworkers more time to spend with their clients. One complaint: The program kept caseworkers waiting 20 minutes for computerized files.

While such problems are multiplying, the supply of new program-

mers and software designers is declining. After a sharp rise in the late 1970s and early 1980s, interest in computing jobs has plummeted among college freshmen, the fastest collapse ever recorded for a career preference in the 23 years that the University of California at Los Angeles has conducted such surveys. The reason most commonly given: Computer jobs are no longer considered glamorous.

But demand for software is relentlessly expanding, driven by society's insatiable appetite for new uses and the ability of computers to perform calculations at ever greater speeds. Each year, computers have been providing 25 percent more power per dollar, while the productivity of people who produce software has been rising at less than half that rate.

William Wulf, former head of the National Science Foundation's office of computer and information science, said, "The amount and quality of software we need is increasing constantly, and our ability to produce it is essentially stagnant. Those two things are on a collision course."

The consequence, he says he fears, will be a slowing of technological progress and in turn a decline in economic competitiveness. "Software can well become the

limiting factor in what we can do in building systems in the future," said Norman Augustine, chairman of Martin Marietta Corp. in Bethesda, Maryland. The bottleneck could affect "space systems, telephone systems, automobile systems or any other complex technological device," he said.

Other experts warn that as computers take over decisions formerly made by humans, software producers and the public may be placing too much confidence in a technology that defies perfection.

AMERICAN TOPICS

A Computer Network To Detect Quakes

An earthquake expert wants residents of the San Francisco Bay area to volunteer for a huge quake-detection network, using personal computers hooked up to backyard measuring devices.

"There are at least 100,000 home computers in the bay area," said Edward Crowsfoot, a seismologist at the U.S. Geological Survey in Golden, Colorado. "If just 1 percent of them hooked up into a centralized network, we could get seismicological information from where people live."

Participants would have to spend about \$500 for a computer program and an accelerometer for their backyards. The accelerometer would automatically measure the acceleration velocity of ground motions, including earthquakes too small to be felt. Data would be fed into the home computer and automatically sent over telephone lines to a central computer.

This would give seismologists a wealth of information, Mr. Crowsfoot said. Small-earthquake patterns might serve as precursors to larger events. And when larger faults ruptured, the home computer data would provide a better picture of ground motion than has ever been captured, he said.

About People

Edward I. Koch, the former mayor of New York, is making close to \$250,000 with a New York law firm, more for bringing in business than conducting litigation. The New York Times says that "his job, as he sees it, is to hustle up new clients then offer them advice, access, and assurance once they arrive." He says he has brought in clients from around the country as well as from Israel, Japan and South America. He also does a radio show, a newspaper column and lecture tours.

Short Takes

Of the 400,000 German prisoners of war held at 500 camps

scattered across the United States during the World War II, 14 were hanged, all for complicity in the killings of fellow POWs who turned informer. All are buried in a small cemetery overlooking the Missouri River at Fort Leavenworth, Kansas. Over the years, the West German Embassy in Washington discouraged various suggestions that the remains be repatriated, fearing that East Germany would use the issue to cause a rift in the Washington-Bonn alliance. Now that Germany is united, the repatriation issue is gathering speed.

Free tests for AIDS are being offered by Johns Hopkins Hospital in Baltimore to the 1,800 patients who were operated on by a staff surgeon who died of AIDS in November. The hospital said, however, that the chances of any patient contracting AIDS from him during surgery were remote. The Associated Press said there was only one known case in which a patient was believed to have caught AIDS from a health-care provider. In that case, it was a Florida dentist.

The West Virginia Supreme Court has upheld the first U.S. law denying driver's licenses to high school dropouts. Chief Justice Richard Neely ruled that the license revocation could be waived in hardship cases, when a pupil left with the consent of school authorities. But he said, "A child who has an opportunity to go to school" but drops out anyway "demonstrates a general lack of responsibility."

The contemporary image of American family members dining at odd hours — the children eating dinner in front of the TV set while their parents drift through the kitchen to fix their own meals at whatever hours they come home from work — has been refuted by a New York Times/CBS News Poll. It showed that four of five have family dinners together most of the time. They go to some trouble to do this, the consensus being that dining together is a peaceful respite from the day's work and a means of holding the family together.

Arthur Higbee

Bush's Latin Trip: About Par

There Were Bombs and Gunfire, but Friendly Crowds Too

By Maureen Dowd

New York Times Service

CARACAS — Sometimes it was hard to hear President George Bush's message on democracy, what with all the bombs, gunfire, prison breakouts and military rebellions exploding across Latin America last week.

"What are we doing here?" a White House official demanded querulously of another when the Bush entourage reached Argentina on the heels of an army rebellion. "There were six bodies in the street outside here yesterday."

Of course, by the standards of other White House visits to Latin America, with mobs waving weapons and shouting "Death to Yankee imperialism!" it was tame.

Dwight D. Eisenhower had tin cans rained on him in Uruguay in 1960. John F. Kennedy's visit to Venezuela in 1961 set off a week of fiery riots. Leftist students hurled eggs and paint at Lyndon B. Johnson in San Salvador in 1968. And on a goodwill tour as vice president, Richard Nixon almost had his car turned over in Caracas by a mob smashing his windows with iron pipes.

Mr. Bush's crowds were generally friendly, if not wild with excitement. He had a shouting leftist legislator at the Argentine Congress and some Uruguayan students chanting "Murderer!" as the police aimed a water cannon at them.

But with the mood of unease

generated by three bombs in Buenos Aires and six bombs in Santiago, and military uprisings in Argentina and Panama, the Secret Service did not let Mr. Bush engage in any spontaneous walkabouts.

The president had hoped to mix with the crowd outside the Chilean Congress on Thursday. But as he

started to get out of his limousine, a young man shouted a nasty phrase in Spanish and gave Mr. Bush the international sign of ridicule.

"Things are going sour here," a U.S. advance man hissed into his wrist radio as Chilean soldiers with nightsticks hustled the protester away. The president's mix-and-mingle was abruptly canceled and he drove past the crowd.

Mr. Bush's birth certificate may prove that he is 66, but he often recalls the Tom Hanks character, a child inhabiting the body of an adult, in the movie "Big."

This is most apparent at joint news conferences with other world leaders, where the hyperactive Mr. Bush hates waiting for translations.

At news conferences across Latin America last week, the president made faces, grinned, gesticulated, squirmed and chatted with anyone standing nearby while questions and answers were translated for the local and White House press corps.

He checked his watch. He com-

pared schedules with other leaders. He mouthed messages to reporters. He put mints in his mouth, then took them out and put them in his suit pocket when it was his turn to speak. He poured water for himself. He asked for more espresso. In Argentina, he even opened the lid of the podium to see what was under it, the way schoolchildren do when they get bored.

Vice President Dan Quayle has done his part for the trade balance of Chile. When he visited Chile in March, he made headlines around the world and inspired a running "Doonesbury" comic strip story line when he defied his wife's wishes and bought a wooden, anatomically correct Indian doll.

Now, among the waterfront peddlers in Valparaiso where Mr. Quayle made his notorious purchase, the price of the popular "Quayle doll" has doubled, from the equivalent of \$4 to \$8.

There were signs last week that perhaps the White House realizes that it might be best for the peripatetic president to stay put for awhile, at least until the country is removed from the brink of war with Iraq.

White House officials said that the president's annual Christmas hunting trip to Beeville, Texas, and his New Year's stop in Houston had been canceled.



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Lufthansa

Cancer Rate Increasing Worldwide, Study Says

By Susan Okie

Washington Post Service

WASHINGTON — Cancer death rates in industrialized countries, particularly among men, have increased in the last four decades more than would have been expected from the aging of the population, suggesting that environmental causes may be playing a role, according to a report by the New York Academy of Sciences.

About 2.3 million of the 11 million deaths that occur annually in industrialized countries are caused by cancer.

The report found that when lung cancer, which is most often smoking-related, is excluded, the cancer death rate for men in the industrialized world has increased 9 percent since 1950. For women the pattern is more complex, with cancer death rates rising in some countries and falling in others.

"Cancer is increasing above and beyond what we would expect due to aging or cigarette smoking alone," said Devra Lee Davis of the National Academy of Sciences, who edited the 345-page report with David Hoel of the National Research Council.

The new report, compiled by 26 scientists from 13 countries, greatly expands upon the findings of an earlier study by Ms. Davis and other epidemiologists published last August, which reported striking increases in death rates from several kinds of cancer in industrialized countries.

That study has generated a scientific controversy, with some critics contending that the increase in death rates reflects little more than an aging population coupled with improvements in diagnosis and record-keeping.

In an interview, Ms. Davis contended that the new report establishes that those factors, while im-

portant, cannot fully explain the changes seen in death rates.

Ms. Davis said she thought "it would be a real tragedy" if researchers continued to insist that the changes "are nothing more than improvements in diagnosis."

Death rates for lung cancer have been increasing dramatically worldwide in recent decades because of smoking. But death rates for a variety of other tumors are also rising among older people in industrialized countries, including brain tumors, breast cancer and malignant melanoma, a skin cancer.

Ms. Davis said the evidence that environmental factors may be triggering the increase includes the fact that cancer death rates are highest in the most industrialized regions of countries, and that cancer death rates for men are rising faster than for women, suggesting a possible role for occupational exposure.

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Herald Tribune

Published With The New York Times and The Washington Post

Beyond the Gulf Crisis

The Iraq crisis has thrown American relations with Israel, the country long seen as its closest regional partner, into crisis. Israel is the partner that can only barely be acknowledged, whose policies have made it something between an inconvenience and an obstacle to necessary American cooperation with Arabs. Saddam Hussein plays shrewdly on the strains to lower the costs of escape from his brutal Kuwait blunder. Israel fears creeping American abandonment; the United States fears a desperate Israeli action. Israelis resist entreaties to accommodate Palestinians; Americans chafe as they do.

Yitzhak Shamir meets George Bush in Washington this week after a telling delay. As the elected leader of a friendly democratic country to which the United States has strong ties of sentiment and loyalty, he deserves respect. But he also leads the elements in his country that see peace as remote and dangerous and even illusory and prefer retention or control of the occupied territories, notwithstanding the desires of their Palestinian inhabitants. Answering the movement in the PLO's position on Israel, Mr. Shamir put forward a peace plan. He sidetracked it when he found that Palestinians were moving toward testing it. This was a troublesome situation on the eve of the Iraq crisis, a situation politically all but made for Saddam Hussein's shrewd manipulation.

Mr. Bush and Mr. Shamir need to talk about how to face Iraq, or at least about how to consult as choices come along. Mr. Bush in particular needs to convey the American interest in post-crisis American diplomacy on three levels:

1) The PLO's statements accepting Israel and renouncing terrorism have been kicked in the head by PLO equivocation and by its support of Saddam Hussein's occupation of Kuwait. The Israelis are right to expect Palestinians to work their way back from

these severe political offenses. It will take time. To ensure that nothing is done to "reward" Saddam Hussein, the project can hardly even start while the Iraq crisis is unresolved; the current United Nations debate is largely a distraction. But it does not reward Iraq, it merely advances an already familiar, essential and underplayed American policy goal for the United States to continue to press for progress toward a negotiated settlement of the Palestinian issue. This should be done.

2) The notion that all that the Middle East needs is an Israeli-Palestinian negotiation disintegrated on Aug. 2, however. An additional, broader Israeli-Arab discussion is required to engage the Arab states that have traditionally disdained any gestures to or contacts with Israel. Saudi Arabia and other Gulf states come to mind; also, in its time, Iraq. The dangers that lie in letting the extended Arab world sit apart were amply demonstrated when the PLO leadership and its constituency turned in their respective ways of policy maneuver and popular action to the purposes of a vicious, threatening Baghdad.

3) This larger negotiation, finally, must move to a deeper agenda than Israeli-Palestinian and Israeli-Arab accommodation. Treatment of political issues must extend to treatment of security issues, including levels and kinds of arms and the roles of outsiders as suppliers and guarantors. This is the necessary work of a decade, perhaps of a generation. Nor can the consummation of part of it hinge on the completion of all of it; Iraq's proven menace must come first. But it is the sort of enterprise that changing world conditions were making possible and that the Iraq crisis has now made urgent. It will take vision, courage and persistence, and it is not too soon for Mr. Bush and Mr. Shamir, despite their complex political situations, to begin.

—THE WASHINGTON POST.

Protectionism Won

By refusing to budge on protectionist farm policies, Chancellor Helmut Kohl and President François Mitterrand have sabotaged the Uruguay Round of international trade talks. On Friday the talks were suspended when Third World food exporting countries decided to pull out.

Mr. Mitterrand is known for grand rhetorical speeches on behalf of the world's poor countries. After this past week in Brussels, the rhetoric rings hollow. The trade barriers that Mr. Mitterrand is obstinately defending cost the Third World two and a half times more than all the aid the industrialized countries dole out to them. Apparently, helping the poor of the world was not as high on his agenda as pandering to a handful of wealthier domestic farmers.

The trade talks could be resurrected during the next month or so if Europe suddenly decides to negotiate. But after four years of trade talks, the last few months feverish, that prospect seems unlikely. The only sliver of hope is that Europe, having isolated itself as the primary roadblock to an agreement, will relent under intense diplomatic pressure.

Agriculture was not the only item before trade negotiators, but it was the key. The goal was to get industrialized countries to knock down tariffs and other barriers against food and textile imports. In return, the developing countries would accept rules protecting investment, copyrights, patents and trade in services. The United States alone loses billions each year from the pirating of intellectual property by developing countries.

All this was undermined by the European Community. To protect its 10 million farmers, the Community keeps food prices high by shutting out foreign imports. The high prices, in turn, generate huge surpluses that it dumps on world markets at subsidized prices. That amounts to economic warfare

against farmers from the United States, Canada and the Third World.

The Europeans were not the only ones under diplomatic pressure in Brussels. The United States was criticized for protectionist stances on telecommunications, aviation and shipping. Japan was pressured to begin importing rice. The Third World was asked to swallow rules that would pry open its economies to Western investment and exports. To their credit, the United States and developing countries showed flexibility, recanting previous positions. But the Europeans would not budge from an inadequate proposal made last month to cut farm protection by 15 percent, rather than the 75 percent or more demanded by food exporting countries. And the European proposal refused to specifically cut the particularly abhorrent export subsidies or to rule out tariff increases on currently unprotected food items. With nothing much to gain, the Third World understandably decided to walk.

World trade will not collapse without a Uruguay Round agreement. But trade wars will intensify, and a promising ladder out of poverty will have been ripped from under the world's poorest countries.

The tragedy is heightened by its underlying folly. For starters, Germany's exporters have a lot more to gain from a trade agreement than its farmers stand to lose. And nothing in a trade agreement would stop Europe from handing buckets of money to its farmers, as long as the aid was divorced from production. Of course such aid would smelt, taste and look like welfare. So for political appearances an agreement worth trillions to the economies of the world is squandered. If Europe stands firm, Mr. Mitterrand and Mr. Kohl will have an enormous amount of economic misery to explain.

—THE NEW YORK TIMES.

Worse Than Vietnam

The homicide rate for young black men jumped by two-thirds in America in recent years, reaching levels in some areas that now exceed the death rate for American soldiers in Vietnam. The vast majority of those killings were committed with guns, according to a federal analysis released on Thursday. Meanwhile, murder rates for all races in New York and the District of Columbia are soaring to record levels this year, continuing a sadly predictable trend. But police in those cities add a surprising footnote: Fewer murders are drug related. That demonstrates how much reducing urban violence requires tough policies against guns as well as drugs.

A recent weekend's violence in Washington has already pushed total homicides this year past last year's record of 434. The unofficial count in New York is more than 2,000, also a historic high.

Police find fewer murders related to drug dealing or addiction. In Washington, such homicides account for only 39 percent of the total, compared with 52 percent last year and 66 percent in 1988. In New York, the figure for this year is 25 percent, down from 28 percent last year and 38 percent in 1980.

Increases in urban homicides appear to arise from increases in juvenile crime. Police report that schoolyard fights once settled with fists or knives now routinely escalate to shoot-outs. Two of New York's most recent murders were committed during struggles over leather coats. Incredibly, a 3-year-old boy

took a loaded handgun to a nursery school in Brooklyn last week, becoming perhaps the youngest juvenile to bear firearms in the city's history. In Washington so far this year, more than 60 juveniles have been charged with homicide, a figure similar to that of last year. Yet in the eight previous years there were only 60 juvenile homicide arrests all told. Nationally, homicide arrests of persons between the age of 10 and 17 have climbed sharply since 1984. The slaughter may be indirectly related to drugs; crack dealing gave countless teenagers the wherewithal to buy sophisticated guns that now are common features of the adolescent demimonde.

Whatever the cause, the proliferation of powerful weapons demands a strong response. New York's police commissioner, Lee Brown, has taken some promising steps, including creating a task force to attack groups that import guns from states with lax laws and cracking down on local abuse of federal gun dealer licenses. There is also a glaring need for more support from Congress, which is now so intimidated by the gun lobby that it even resists popular, sensible laws to limit interstate gun traffic and youngsters' access to firearms. The need to keep guns from juveniles is at least as obvious as the need to limit their access to drugs and alcohol. As urban bloodshed mounts, perhaps even the gun lobby will acknowledge that children with guns kill people.

—THE NEW YORK TIMES.



Bush Has Big Decisions to Make on Gulf Terms

By Flora Lewis

PARIS — The likelihood of war in the Gulf seems to have diminished a little. The confrontation remains stark — the only Security Council demand that Saddam Hussein has accepted is to release the hostages — but the atmosphere has eased a bit.

Iraqi spokesmen talk a little differently about Kuwait, no longer stressing that it is part of their country and for all but rather that Iraq puts no conditions on negotiations. That may provide the tiniest hint of a nudge about a possible evacuation, on terms.

The Bush administration's stand that "talks" in Washington and Baghdad will in no way constitute negotiations doesn't hold water. Even if both sides only repeat current positions, what they leave out as well as what they include will be studied carefully for maneuver room.

Neither side's position is all that clear. Saddam wants out of the impasse in a way to keep his army intact and claim victory in Arab eyes for having stood up to the mighty United States and the West. President Bush needs to show that his firm resolve and coalition diplomacy forced the Iraqi to back down. But there are all kinds of implications,

side issues and details that have not been spelled out. No matter what Washington says about refusing any linkage to the Israeli-Palestinian issue, that exists in fact.

It exists in a negative way because, when he blows hot, Saddam threatens to drag Israel into any war. With his missiles he has that capacity, and he would see it in his interest. If the Armageddon scenario comes to pass, to convert the conflict from Iraq against most of the world to Arabs against Israelis and their backers. He probably calculates correctly that the Saudis, the Syrians, the Egyptians and other Arabs would not fight alongside Israelis and Americans.

And the linkage exists in a positive way because if Washington endorses an international conference on Israel and Palestine, that will be seen as one result of the Gulf crisis regardless of how far away the "appropriate date" is deemed to be.

The Palestinian issue gets embroiled whenever Arabs and the United States start at each other. The role of the Security Council in the Gulf willy-nilly leads Arabs to argue that its

resolutions on Israel should be applied with equal force, and it is an argument that has great impact on Arab opinion.

So many other things are getting mixed up in this tragedy of errors. The crisis has, at the same time, knocked the stuffing out of Israeli moderates who did want to negotiate with the Palestinians, and has demonstrated how dangerous it is to let that situation fester on and on without a straw of hope for a settlement.

But, ironically, events and the polarization of fears are moving Israel toward a de facto separation of the occupied territories even as its leaders press for keeping them. The curfew in the entire West Bank and Gaza Strip after the fight on the Temple Mount in Jerusalem more or less restored the 1967 borders for a few days. Palestinian workers are losing permits to work in Israel and are being searched again when they cross from Arab to Jewish areas. The old "green line" is taking on more substance and the division is more palpable than ever.

Exiting at the massive arrival of Soviet immigrants, despite the immense task of absorbing them, Prime

Minister Yitzhak Shamir said people used to dispute "whether time is working for us or against us, but now it's clearly on our side." He meant that the demographic threat of Palestinian dominance would be removed with establishment of the new arrivals. But they are not going to the territories, and it remains to be seen what their attitudes will be once they get involved in Israeli politics. Whether Mr. Shamir likes it or not, partition is coming to seem likelier than annexation.

Not everything has to or can be worked out at once, but the pressures are building on both George Bush and Saddam Hussein to decide what they might settle for and what their war aims are. Can the coalition tolerate leaving Saddam in power if he withdraws, his highest priority, or must he be toppled? How much of his arsenal can be left? His envoy will be probing for answers, and judging Mr. Bush's will and political capacity to fight.

Messages cannot be sorted out to separately targeted audiences in Baghdad and the rest of the world now. Washington has to make some big decisions if it hopes to avoid propelling itself into war despite its wishes.

The New York Times.

Peace Process: Israel Can't Hold Back the Tide

By Edgar M. Bronfman

NEW YORK — Inevitably, the Middle East peace process is becoming inevitable. In the face of a pending Security Council resolution calling for a United Nations-sponsored international conference, Israel now has an opportunity to shape its own fate. Before such a conference, Israel should make every effort to reach some agreement with the Palestinians.

After the Gulf crisis is resolved, the Middle East will not be the same as it was when Iraq invaded Kuwait. Israel will be affected as any Arab country by the coming changes. It can no longer afford to resist Security Council peace initiatives on the grounds that council members are prejudiced against it.

Things have changed among the five permanent members. The Soviet Union, under Mikhail Gorbachev, has made the United Nations a crucial force for peace. George Bush, following Iraq's invasion of Kuwait, has done the same thing, creating a united world that has taken impressive collective steps to counter naked aggression.

Today the United States thinks that a full-scale Middle East peace conference is premature; tomorrow it might not veto a Security Council resolution calling for one. World politics are moving away from Israel's dependence on America's ultimate protection, which has involved automatic vetoes of UN resolutions that Israel considers hostile.

It is true that China has not recognized Israel, that the Soviet Union has roots in the Middle East planted in support of Arab interests, that France's only consistent behavior has been unpredictability

and that the departure of Israel's staunch ally, Margaret Thatcher, may mean a shift in Britain's policy. Those countries, however, have cooperated with Mr. Bush's decisions in the Gulf crisis, which reflect his philosophical and practical predilection for international consensus. Now that the Cold War is over, the response of the United Nations to the crisis indicates that it will further turn its attention to stabilizing regions, such as the Middle East, that might disrupt the world.

Understandably, Israel has long resisted a UN conference on the Arab-Israeli conflict. It feared that the world would grab up on it, as in the infamous "Zionism equals racism" resolution. A persuasive reason for Israel to reconsider old assumptions is the sea change in thinking by the United States and its European allies, as well as Egypt and Syria, which led them to mobilize forces in the region in order to force Iraq out of Kuwait.

Given the sensitivities of the world's economies to the need to protect oil, Western publics may well demand that, once the Gulf crisis is over, their leaders help resolve such explosive Middle East issues as poverty, underdevelopment and the unsettled Palestinians, whether in the West Bank, Gaza, Lebanon or Jordan. Americans would insist upon a policy that emphasizes democratic principles and open societies.

Israel can't hold back such a tide; it should not try. While the United States tolerates no direct

link between the Israeli-Palestinian conflict and the Gulf crisis, to assert that Israel is somehow not a piece in the overall regional security mosaic is naive. The low profile that Israel has kept during the Gulf crisis has not kept the world from perceiving the underlying connections.

Israel has always behaved as if time was on its side — assuming that, just as things looked bleakest, the Arab world would create a problem or diversion to prevent progress toward a settlement. The Arabs have obliged, mostly with terrorism.

Time, however, may be less cooperative in the future if the Security Council assumes a more active role in maintaining world peace. Israel can take its rightful place in trying to settle the outstanding issues. It should understand that its long-term interest lies in coming to some agreement with the Palestinians in advance of international deliberations — or, at the very least, being seen as having made an honest effort to do so. Otherwise, a UN conference may try to decide what sort of settlement there should be.

This need not be bad news for Israel. The country has come very close to an agreement with the Palestinians to continue the Camp David peace process. Today there may be a new opportunity to proceed apace with that process — before the United Nations seizes the initiative.

The writer, chairman and chief executive officer of The Sengman Company Ltd., is president of the World Jewish Congress. He contributed this comment to The New York Times.

Europe's Economies Are Going Their Own Way

By David M. Gordon

PARIS — European economies are rapidly losing interest in economic developments in the United States. It used to be that when America sneezed, Europe felt itself catching pneumonia. Now, felt itself catching pneumonia.

These impressions have been sharpened for me by the stark difference between two conferences, four years apart, about the European economy. The first took place in Bonn in the spring of 1986. Europeans spoke admiringly of the U.S. "jobs miracle." High unemployment rates were plaguing Europe while employment had been growing with what seemed like stunning success in America. People wondered whether the U.S. model, variously described as "Reaganomics" or "flexible labor markets," could usefully be applied to help Europe.

The second conference took place in Venice early last month. Its theme was "The Economics of a New Europe." Participants focused on problems and prospects in Western and Eastern Europe. The United States was scarcely beyond European economic integration in the last four years. Recent success at steering through the treacherous straits of economic nationalism seems to have produced a feeling of Continental pride and lustful anticipation of the challenging economic opportunities that lie ahead. (At the same time, they do not unrealistically ignore the immense problems of fitting their national economies comfortably and effectively into a more integrated European framework.)

Second, the stunning developments in Eastern Europe have obviously turned heads in that direction. Europeans seem to feel a deep commitment to helping Central and East European

countries through their current and impending problems. They drool at the possibility of vast new economic opportunities in those economies during and after the transition.

They also recognize that Eastern Europe, including what is now the eastern part of a unified Germany, will require huge capital investments which will, hardly incidentally, place heavy claims on much of the money that has been recently feeding capital accounts in the United States. Inevitably, as well, the apparent end of the Cold War dramatically reduces Europeans' feeling of political and military dependence on the United States.

The third development provides perhaps the most important piece of the explanation. I got the impression that the combination of the first two has convinced many in Europe that they should build on their own institutional history and institutional imagination to chart their future economic course. Many no longer seem to feel the need to emulate models from outside Europe. They feel that they have their economic future in their own hands. And they seem to feel confident of their capacity to take advantage of future economic opportunities without outside interference or help.

In this regard, I was struck by a comment from the Spanish prime minister, Felipe Gonzalez, in a recent interview in the French newspaper *Le Monde*. He was speaking of both the promise provided by an increasingly united Europe and the likelihood that European countries could and would fashion an institutional design based on their own history and ingenuity.

"Among existing institutions," he noted, "it is the European Community that has achieved the greatest progress. It has been able to refine itself

to consolidate its unity even while enlarging. It exercises a powerful attraction to all of its neighbors."

"When one speaks of the new European architecture," he added, "I think of all these old palaces from the 15th, 16th or 17th centuries. They have been enlarged and restored several times, often substantially. Nonetheless, the harmony of the whole has been preserved. And they remain habitable. Europe is likely to resemble them."

The writer is professor of economics at the New School for Social Research in New York. He contributed this comment to The Los Angeles Times.

100, 75 AND 50 YEARS AGO

1890: Odd Gourmand

PARIS — There is a man now exhibiting himself in London who eats broken glass, plum pudding, scrap iron, oyster shells and railway sandwiches with relish and no abdominal remorse. He is not a New Yorker trained in a boarding school, but a West Indian gentleman with a stomach accustomed to Jamaica ginger and West India rum. People in London may pay him, but in New York, people who are daily offered the free spectacle of men eating hot bread, sausages and buckwheat cakes at seven o'clock in the morning will take no interest in his comparatively mild feat.

The writer is professor of economics at the New School for Social Research in New York. He contributed this comment to The Los Angeles Times.

1915: 'Filthy' Conditions

LONDON — Sir Edward Grey publishes to-night (Dec. 9) the amazing report of Dr. Karl Ohsenborg and Dr. George W. Minat, appointed by the American Ambassador in Berlin, to inspect the condition of the British civilian prisoners, nearly all persons

'Big Man' Hobbles Kenyans

By Blaine Harden

This is the first of two articles.

WASHINGTON — If you took a quarter-century worth of H. Excellencies the African Leader and tossed them in a blender, you would come up with a Big Man like this:

His face is on the money. His photograph hangs in every office in his realm. His ministers wear gold pins with tiny photographs of him on the lapels of their tailored pinstriped suits. He names streets, football stadiums, hospitals and universities after himself. He carries a silver-inlaid ivory cane or an ornately carved walking stick or fly whisk or a chiefly stool. He insists on being called "doctor" or "conqueror" or "teacher" or "the big elephant" or "the number one peasant" or "the wise old man" or "the national miracle" or "the most popular leader in the world."

His every pronouncement is reported on the front page. He sleeps with the wives and daughters of powerful men in the government. He shuffles ministers without warning, paralyzing policy decisions as he undercuts pretenders to his throne. He scapegoats minorities to shore up popular support. He bans all political parties except the one he controls. He rigs elections. He emasculates the courts. He cowers the press. He stifles academia. He goes to church.

More than 150 leaders, many of them "President for Life," have come and gone as the continent has been sucked downward in a spiral of declining per capita food production and unpayable foreign debt, of civil war and rampant corruption. Africa was poorer at the end of the 1980s than when Big Men first usurped the authority of tribal chiefs and welded it to the power of the modern nation-state.

At first blush, the reign of Daniel arap Moi does not seem so destructive. After all, Kenya is an island of sanity, compared to its East African neighbors, and Mr. Moi does not sanction the public mutilation of his enemies or write books about African utopia. Instead, he is a stolid, slow-speaking, not very bright Big Man who deftly uses the tools of his trade — payoffs and coercion — to stay in power.

It is precisely because of Kenya's success that Mr. Moi's rule has proved so pernicious. The logic of his survival has been a recipe for national stagnation. His survival requires constant manipulation of the Big Man levers. His need to bleed the business community and grab all political power for himself is inversely proportional to his legitimacy.

Since he comes from a tiny tribe, has little personal charisma, was never elected president and cannot reasonably expect to rule with the consent of the majority, he needs larger and larger amounts of money to reward supporters, more and more power to silence enemies.

The government's own press releases say Kenya must break its dependence on coffee, tea and tourism. There is no other palatable option. The arable land is already planted. Game parks are severely overcrowded, and poaching has decimated elephant and rhino populations.

But Kenya does have a competitive edge. It is well placed to become a manufacturing and service hub for East and Central Africa. It has the best port, the best roads, the best climate, the best work force, the best communications network, the best international reputation and the most vigorous free market tradition in East Africa.

To run with these advantages, the country desperately needs foreign and domestic investment. To compete internationally, the government has to reward efficiency rather than sycophancy. The law has to provide a level playing field for industry. These economic imperatives, which are the sine qua non of any country competing in the world marketplace, do not suit Mr. Moi's Big Man system. Wealth that Mr. Moi does not control is dissidence. Prosperity is far more destabilizing than stagnation.

It should come as no surprise that Kenya's economy — outside of tourism, coffee and tea — is dead in the water. Manufactured exports declined in the 1980s and a parade of foreign manufacturers pulled out. Almost no new ones came in. Every year 150,000 young people flood into the job market, but industry generates only 3,000 new jobs a year. In a cable to Washington, the U.S. Embassy in Nairobi cited a pervasive pattern of "favoritism as well as corruption" in the government's treatment of industry.

The writer, Warsaw bureau chief for The Washington Post, was previously based in Nairobi. This comment is adapted from his book "Africa: Dispatches From a Fragile Continent."

1940: Italian Defeats

ATHENS — The entire Italian right wing behind the Greek-occupied port of Porto Edda has been put to flight since yesterday noon (Dec. 8), and a whole series of strategically important peaks in the northern sector of the front in Albania has been captured by the Greeks, a government spokesman declared here tonight. The Greeks now hold a fifth of Albania. The Greeks in the southern sector were making a twin drive today against the Italian forces between them and the port of Valona, farther north on the Albanian coast, which they expect to be their next big prize.

—From the New York edition of the New York Herald Tribune.

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A 'Green' GNP: Gadfly Dutch Economist Seeks Stricter Environmental Accounting

By Marlie Simons
New York Times Service

THE HAGUE — In a Spartan office at the Netherlands Central Bureau of Statistics, a shy, stooped man has been quietly plotting a revolution in the way economists look at the environment.

For 30 years, Roelie Huetting has provoked and prodded planners and policymakers, telling them they are fooling themselves in the way they measure a country's wealth, the welfare of its citizens, the prices of goods and services.

He has devised his own set of indicators to arrive at a "green" gross national product, accounting for the harm that economic activity does to the environment.

The idea is getting a broader reception in Europe as public opinion now favors more drastic steps to fight pollution.

Mr. Huetting and like-minded

economists say that in ignoring or masking economic output's toll on the environment, many countries' GNPs have been inflated and sometimes hugely distorted. It is absurd, Mr. Huetting says, that measures to defend nature or to check or clean up after damage have been tallied as growth.

Over the years, the meticulous and persistent Mr. Huetting, gadfly economist and jazz pianist, has irritated people on the left and the right.

Surviving politicians who wanted to close down his department, he acquired a reputation as a Don Quixote among economists. Slowly he gained acclaim from his peers: now governments and international institutions are listening.

The Dutch government has asked Mr. Huetting to produce an alternative system of accounting to reflect the damage done to the air,

water, soil and animal and plant life, and to account for the cost of maintaining or restoring them.

Planners at the United Nations Environment Program and World Bank officials have said Mr. Huetting's publications had got them thinking about the need for "environmental accounting" in recent years.

Mr. Huetting is far from being the only economist who thinks that the habits of more than 50 years of economic accounting — using the output of goods and services as the only measure of economic and even social success — are outdated and misleading.

The idea of green accounting has pried its way into more and more European government offices. Sweden is seeking Dutch advice on starting its own project. France and Norway have begun compiling inventories of natural resources, a

first step to linking the state of the environment to economic activity. Germany is working out a system to correct the "double counting" in its national bookkeeping. A 1989 study showed that from 1970 to 1985, West Germany's spending to preserve or restore nature increased from 5 percent to 10 percent of its gross national product, and was consistently counted as growth.

That meant, Mr. Huetting said, that measures simply to check deterioration were recorded as a significant contribution.

"Take a water-treatment plant," he said. "Under the present accounting system, it is booked as a contribution, though it should be entered as cost. It's built to make up for the loss of usable water. It does not generate growth. You can only count that plant as value added if you have first entered the ruined drinking water as a loss."

It would be equally misleading to count clearing up smog as growth, he said.

Redefining such costs and correcting the books is useful, he said, but "it's dangerous if politicians or statisticians present this as the solution, because, as is well known, most environmental destruction is never restored or compensated."

Ultimately, Mr. Huetting and other ecological economists say they hope that a new framework for national accounts will lead to a fundamental change of national goals and even a redefinition of progress.

Applying a green GNP, Mr. Huetting said, will make polluting products more expensive and will consequently slow growth. But he said this did not have to mean a decline in employment.

"Many activities that protect the environment will have to be more labor-intensive," he said. "An

economy that protects the environment will create more jobs."

Mr. Huetting and his team of 30 specialists, among them biologists, chemists and physicists, figure they need at least two years to come up with a draft for a green GNP.

Even so, the Netherlands seems further along than most nations. Ever since Mr. Huetting created it in 1969, the Department for Environmental Statistics has been collecting data on emissions, concentrations of toxic materials, discharges of plant and animal species and other changes. Such an inventory, he said, is vital.

The process, he said, involves establishing norms for "sustainable use" of the environment, i.e., maintaining its capacity to regenerate itself.

The next step, he said, is to decide what measures are needed to

attain sustainable use. The costs of those measures must then be subtracted from the current GNP to calculate the green GNP.

Even if governments only use it as a parallel system, he said, it will help to clarify "our mistaken accounting and demonstrate how we are squandering air, water, ground, trees, spaces, silence, as if they were free goods instead of assets that we are losing."

Joan Bennett, Femme Fatale of Movies, Dies at 80

By Peter B. Flint
New York Times Service

NEW YORK — Joan Bennett, 80, an actress who matured from a winsome blond ingenue in movies of the 1930s to a sensuous brunette femme fatale in film noir classics of the 1940s, died Friday at her home in Scarsdale, New York.

She died of cardiac arrest, according to her daughter, Shelley Wanger.

Miss Bennett got her basic training playing opposite such major stars as Ronald Colman in "Bulldog Drummond" (1929), George Arliss in "Disraeli" (1929) and John Barrymore in "Moby Dick" (1930).

"Bulldog Drummond" provided her first important role, at the age of 19.

She portrayed a personable waitress trading wisecracks with Spencer Tracy in "Me and My Gal" (1932), a pert sister competing with Katharine Hepburn in "Little Women" (1933) and a psychiatrist's young wife slipping into insanity in "Private Worlds" (1935).

The leading mentor of Miss Bennett's career was the celebrated producer Walter Wanger.

In 1938, two years before he and Miss Bennett were married, he made "Algers," a major hit that introduced Hedy Lamarr to American audiences.

Miss Lamarr's dark Viennese beauty captivated audiences around the country. Capitalizing on the sudden vogue, Mr. Wanger had Miss Bennett become a brunette for a scenic melodrama called "Trade Winds," and she began an entirely new career.

Combined with her sultry eyes



Joan Bennett before her screen transformation from a winsome blonde to a sensuous brunette.

Lang, as a Cockney prostitute in "Man Hunt" (1941), a mysterious model in "The Woman in the Window" (1944) and a vulgar blackmailer in "Scarlet Street" (1945).

She also won praise as a shrewish, cuckolding wife in Zoltan Korda's "Macomber Affair" (1947), as a deceitful wife in Jean Renoir's "Woman on the Beach" (1947) and as a tormented blackmail victim in Max Ophüls' "Reckless Moment" (1949).

Then, easily shifting images again, she was an elegant, witty and nurturing mother in two classic film comedies directed by Vincente Minnelli: "Father of the Bride" (1950) and "Father's Little Dividend" (1951), co-starring Spencer Tracy and Elizabeth Taylor.

Later in 1951, Miss Bennett was a principal in a major Hollywood scandal. Mr. Wanger shot and wounded her longtime agent, Jennings Lang, in a Los Angeles parking lot, accusing him of being a home wrecker. Miss Bennett later attributed her husband's outburst to desperation over large financial losses.

To avoid further notoriety, Mr. Wanger pleaded guilty to a reduced charge and served 100 days at a minimum-security prison farm. Mr. Lang soon recovered, but Miss Bennett's film career did not. Before the shooting, she had starred in more than 60 movies. After it, at the age of 41, she was offered only a handful of roles.

The Wangers divorced in 1965, after 25 years of marriage.

As movie offers dwindled, Miss Bennett turned to the stage and made successful national tours in such plays as "Susan and God," "Bell, Book and Candle," "Once

More With Feeling," "The Pleasure of His Company" and "Never Too Late."

She also lent her presence and prestige to television's top gothic soap opera, "Dark Shadows," which ran from 1966 to 1971 and attracted a major cult following.

Martin Ritt, Director Of 'Hud' and 'Norma Rae'

LOS ANGELES (UPI) — Martin Ritt, the director whose tender and tough portrayals of the human condition were included in such films as "Hud," "Sounder," and "Norma Rae," died Saturday after suffering a heart attack.

A hospital spokesman listed his age as 76, but others reported his age as 70.

His best-known works were "Hud," the 1963 film starring Paul Newman, "The Spy Who Came in from the Cold," "Hombre," "The Molly Maguires," "Pete 'n' Tillie," "Conrack," "The Front," "Norma Rae," "Murphy's Romance" and "Nuts."

He spent 30 years building a reputation as a "thinking" director. He adapted several films from novels, including two by William Faulkner. His last film, "Stanley and Iris," was released earlier this year and featured Robert De Niro and Jane Fonda.

Reinaldo Arenas, Novelist With AIDS, a Suicide at 47

NEW YORK (NYT) — Reinaldo Arenas, 47, a novelist who spent several years in prison in Castro's Cuba, committed suicide Friday in his apartment here, the police said. Mr. Arenas was suffering

from AIDS, according to his literary agent, Thomas Colchie.

After a decade of struggling to become a successful writer in the United States, to which he escaped during the Mariel exodus from Cuba in 1980, Mr. Arenas at his death had five novels under contract as well as a recently completed autobiography.

His novel "Singing From the Well," won the Prix Médici in France for the best foreign novel of 1969.

Other Deaths

Tadeusz Kantor, 75, painter and avant-garde theater director who founded the experimental Cricot-2 group in Krakow, Poland, Saturday of a heart attack in Warsaw.

Enrico Coveri, 38, the youngest of Italy's top fashion designers, Friday of a brain hemorrhage at his villa in Florence.

Rinaldo Ossola, 77, former director-general of the Italian central bank who served as minister of foreign trade from 1976-79, Friday in Rome.

Delecta (Dee) Clark, 52, rhythm-and-blues pioneer who wrote and recorded the pop hit "Raindrops" in 1961, Friday in Atlanta, apparently of a heart attack.

India Truck Plunge Kills 15

Agence France-Presse
NEW DELHI — At least 15 people were killed when a truck plunged into a river in the mountainous state of Himachal Pradesh in northern India on Saturday, the Press Trust of India reported.

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BAKER: Talks by Jan. 3

(Continued from page 1)

not be a party to circumventing the Jan. 15 deadline in the United Nations resolution, and we will not be a party to playing games that back us right up to that deadline."

If he is unwilling to pick any day in the 15 days between Dec. 20 and Jan. 3, I think it shows that he is not serious, or that he wants to somehow delay the Security Council, Mr. Baker said. "After all, this resolution talks about his withdrawing his forces from Kuwait—something that he cannot do in just a matter of hours with 500,000 dug-in troops."

President George Bush would decide if a date after Jan. 3 was acceptable, said Mr. Baker, "but it is basically unacceptable to us."

Under a diplomatic initiative announced last week by Mr. Bush, the Iraqi foreign minister, Tariq Aziz, was invited to meet Mr. Bush in

Washington, to be followed by Mr. Baker's trip to Baghdad. The Bush-Aziz meeting is expected to take place Dec. 17.

The State Department said Friday that no commitment would be made to meet Mr. Aziz until the Baghdad date was agreed upon.

Mr. Anbari said Jan. 12 had been suggested only to give Mr. Aziz time to stop in Rome to meet with European leaders and to discuss his Washington meetings with Iraqi officials before Mr. Baker arrives.

"If it's not suitable to the secretary of state or the United States, I believe it should be no problem to find a more suitable date," Mr. Anbari said.

On a related matter, Mr. Baker said many of the U.S. troops deployed in the Gulf from Europe would return to Europe after the crisis was over because "the Europeans want an American military presence in Europe."

"Indeed," he said, "even the Soviets will privately tell us that they want an American military presence in Europe."

U.S. Threatens UN Veto

The Security Council, threatened by a U.S. veto, held off voting until Monday on a resolution critical of Iraq's treatment of Palestinians in hopes of reaching a compromise. Reuters reported from the United Nations in New York.

The main point in the deadlocked negotiations is a paragraph that would endorse an eventual peace conference on the Middle East, which Israel opposes and the United States fears would be linked to Iraq's invasion of Kuwait.

The conference is favored by Arab countries and most other nations on the 15-member council.

PEACE: The Scenarios

(Continued from page 1)

ing. "Are we going to have to continue to station American forces in the area in order to bring some order out of chaos? Subject them to terrorism? To guerrilla warfare? What's the next step that follows on behind that military action?"

There are other largely unaddressed questions as well. How can Kuwait recover from the ravages of Iraqi occupation? If the outcome of the struggle causes Mr. Hussein to lose his grip on power, will Iraq be swept by internal instability and political radicalism that will extend to neighboring countries? Would elimination of Iraq's military power expose the region to new pressures and threats from such other radical, expansionist countries as Iran and Syria?

"My impression is that people in the government are aware that they could be confronting many of these problems before too much time passes," said William B. Quandt, a Middle East expert with the Brookings Institution. "But these questions are like categories of subheads that haven't been fleshed out. When you push for specifics about how the administration would deal with them, there's not much there."

To some extent, that's understandable in an administration that keeps decision-making within a very small circle and doesn't cast its net very far in terms of seeking ideas from the bureaucracy. Mr. Quandt said. "Those who are in the loop are too tied up dealing with the immediate problems to think about the long term. And even if you had the time, it's hard to say what you would do because there are so many possibilities about what will happen."

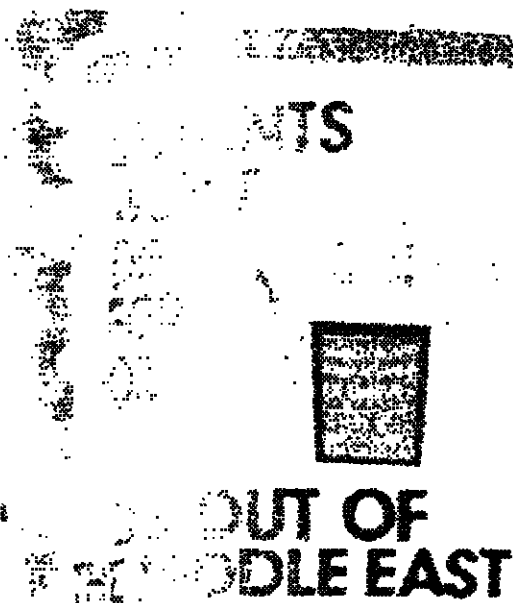
HOSTAGES: More Than 500 Fly Out of Baghdad

(Continued from page 1)

invited all Americans who want to have been able to leave the country. Another official said that five diplomats also remained at the U.S. Embassy in Baghdad, a number that could be further reduced soon. "We're looking right now at what we need for here," the Western diplomat said.

The U.S. State Department has said that about 600 Americans were in captivity in Iraq and Kuwait, including hundreds hiding in Kuwait.

Besides the Iraqi Airways jet bound for Frankfurt with the Americans and Europeans aboard, another Iraqi Airlines Boeing 747 carried more than 200 Westerners from Iraq to Rome on Sunday night, and a Moscow-bound Iraqi aircraft carrying Soviet technicians released from their contracts days before Saddam freed all others was also scheduled to depart.



A protester taking part in an anti-war rally in Chicago.

WAR: Ground Takes Center Stage in the U.S. Military's Plans for Conflict

(Continued from page 1)

Norman Schwarzkopf, commander of U.S. forces in the Gulf, and approved by General Powell and the four service chiefs. In part, they reflect a traditional army belief in the decisive importance of ground forces in combat.

Testifying before the Senate Armed Services Committee, General Powell explained why the United States could not depend on air power alone against Iraq. Although the air force could "inflict terrible punishment," he said, "one can hunker down, one can dig in, one can disperse to try to ride out such a single-dimension attack."

Instead, the U.S. will attack "suddenly, massively and decisively," as Secretary of State James A. Baker 3d told the Senate Foreign Relations Committee on Wednesday, with forces from all four services.

Although the specifics of General Schwarzkopf's war plan remain secret, military officials said certain fundamentals for combating an army like Iraq's that is equipped with modern armor and artillery had to be followed if war were launched. War plans are not written in all-or-nothing terms, but offer options for a president to choose from. Mr. Bush, however, has said he has discarded the option of applying force incrementally, as was done in Vietnam, and intends to order an all-out campaign if a war must be fought to get Iraq out of Kuwait.

According to military officials, the plans for fighting Iraq are almost certain to include these phases:

Phase 1

Unmanned navy Tomahawk cruise missiles and about 40 air force F-117 Stealth fighters would focus on the Iraqi Air Force's command and control network in order to deny Iraqi pilots radio guidance from ground controllers tracking U.S. planes. Scores of air force F-111 fighter bombers and carrier-

based navy A-6 attack bombers would follow by firing missiles to destroy Iraqi radar.

Air force F-15 and F-16 fighters, and navy F-14 and FA-18 jets, would try to sweep the sky of Iraqi planes, while U.S. bombers would strike virtually every air field in Kuwait and Iraq that could be used by Iraqi warplanes. The bombers would try not only to destroy enemy planes still on the ground, but also to carve such large holes in the runways that undamaged planes cannot take off.

Electronic warfare planes and other jamming gear would try to

disrupt Iraqi radar.

U.S. Air Force B-52s would drop hundreds of tons of bombs on Iraqi artillery bases, command posts and supply roads. Now based at Diego Garcia in the Indian Ocean, the bombers would move to an airfield nearer the front under an arrangement already made with an allied Arab government, according to air force officials.

The B-52s could also be used to obliterate Iraqi nuclear, chemical and biological weapons plants. But such attacks would most likely kill hundreds of civilians, and it is un-

clear whether Mr. Bush would authorize destruction of these facilities. Smaller air force and navy bombers would strike barracks, bridges, motorpools and tank formations.

To exploit these air strikes while enemy forces are still "stunned and disoriented," U.S. doctrine calls for a coordinated ground attack to follow the bombers almost immediately. As U.S. troops rush forward, low-level air attacks by A-10 tank-killing planes and Apache helicopters would be launched against Iraqi armor and "Bimps," Soviet-made infantry vehicles.

To prevent Iraq from reinforcing the areas threatened by U.S. spearheads, "we're placing a great premium on restricting their mobility," largely by keeping enough warplanes overhead to annihilate enemy forces that emerge from their reinforced bunkers, the Pentagon planner said.

U.S. analysts studying Iraq's eight-year war against Iran also say they believe that Iraqi Army units lack the independence and initiative to operate effectively without precise direction from regimental leaders. So Pentagon planners want to isolate Iraqi units from their regimental commanders in hopes of provoking mass surrenders or at least feeble fighting.

Military planners know that even if the United States surprises Iraq and keeps the initiative, things will go wrong. Low-flying aircraft are highly vulnerable. In combat, troops almost always fire inadvertently on their own comrades.

The complex choreography required by U.S. battle tactics is further complicated by the presence of tens of thousands of allied troops in Saudi Arabia, although a congressional source says that General Schwarzkopf will not act as supreme commander—an arrangement being kept quiet to avoid ruffling Arab sensibilities.

Phase 3

No matter how much the air force and navy bomb, Army leaders warn that it would eventually come down to soldier against soldier before the Iraqi army could be rooted out of heavily fortified positions in Kuwait.

U.S. planners have basically scrapped the traditional 3-to-1 attacker-to-defender ratio long considered necessary to overcome fortified positions. U.S. mobility, air strength, firepower and other advantages provide "force multipliers" that compensate for raw numbers, they say.

Mr. Hussein's buildup in the desert west of Kuwait means the U.S. armored force cannot simply outflank the Iraqi army and envelop Kuwait. "We would have to puncture his fortifications someplace," an officer said.

"You can never get them out with just air power," a Pentagon official said. "You can bloody them, you can kill a lot of them, but you cannot dominate them. And you cannot capitalize on air power unless you pursue it on the ground."

Some U.S. diplomats have long seen the number 100,000 as something of a watershed, noting that in any political settlement involving exchange of territory, settlers would probably have to be compensated for their residences and other investments.

ISRAEL: As Intifada Marks Its 3d Anniversary, Divorce Is in the Air

(Continued from page 1)

of the West Bank and Gaza if no peaceful solution is found. Forty percent disagree with that idea.

When the question was asked in a Smith survey 20 months ago, 38 percent advocated "transfer," as the idea is called here while 51 percent disagreed. In both polls, 1,200 people were interviewed, producing a margin of error of plus or minus three percentage points.

But although neither Arab nor Jew want anything to do with each other any longer, Israeli and Palestinian cultures have grown so entangled over the last 23 years that

any separation would be a complex, messy affair at best.

More than half the male workers in the West Bank and nearly all of them in the Gaza Strip hold jobs within Israel. There is far too little agriculture, business or industry in the occupied territories to support the Arab population.

After the recent series of stabbings and related violence, Jewish workers are laying off some of their Arab employees. And although all the Palestinians say they want their independence, many say they also want their jobs.

On Sunday a West Bank Palestinian from a suburb of Hebron,

who said he had worked in the kitchen of a Jewish-owned restaurant in Jerusalem for two years until he was dismissed recently, complained that "the situation is very difficult."

"We can't live like this," he said. "I have 12 children at home, and I have to have a job."

Dismissing Palestinian workers, the man said, will make it "even more difficult for the Jews because now I may have to steal or kill."

But another survey question posed by Hanoch Smith showed that 66 percent of the Israeli population would like to rid the nation of Palestinian workers. Many of

them say they believe some of the new Soviet immigrants will fill these bottom wage-level jobs.

At the same time, the Israelis, too, have built up such ties to the West Bank that a divorce would be difficult. Just last week, the settlers' movement announced it had passed a milestone: More than 100,000 Jews now live in West Bank and Gaza Strip settlements.

Some U.S. diplomats have long seen the number 100,000 as something of a watershed, noting that in any political settlement involving exchange of territory, settlers would probably have to be compensated for their residences and other investments.

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. December 7

Dollar Straights

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Governments/Supranationals

Issuer Con Mat Price Yld Bid Ask

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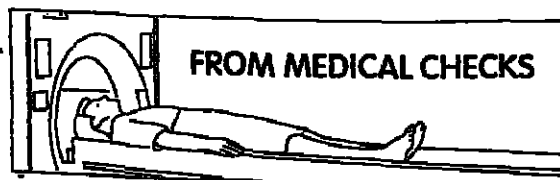
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FROM MEDICAL CHECKS

Herald Tribune

BUSINESS/FINANCE

MONDAY, DECEMBER 10, 1990



Page 9

EUROBONDS

Issuers Rush to Complete Deals Before Year-End

By Carl Gewirtz

International Herald Tribune

PARIS — There was a flurry of activity in the international capital market last week as borrowers rushed to complete their financing needs before markets close for the year-end holidays. The annual shutdown begins a bit early this year, reflecting worries that liquidity — always impaired at this time of year — will be especially hurt by uncertainty about a possible war in the Gulf.

Fears of a shooting war did abate last week, creating what many analysts view as an unsustainable euphoria in markets, but borrowers were quick to seize the opportunity to tap into a favorable market.

Indeed, there were some complaints that it caused congestion, particularly in the Euro-French franc sector where two state borrowers glutted the market with 2.95 billion francs of new paper.

The borrowers were in a rush to tap the market since it is expected that starting next year, they will no longer be able to issue paper carrying the explicit state guarantee. That is already the situation in the domestic market and bankers estimate that the guarantee enables the issuers to save some 10 basis points, or hundredths of a percentage point, in borrowing charges.

SNCF, the French state railway, was first off the mark, launching 750 million francs as an add-on to an existing issue where 2.75 billion francs were already outstanding. Subsequently, another 500 million francs was added to the offering — lifting the total size of the outstanding amount to 4 billion francs, making it the largest issue in this sector of the market.

The seven-year notes carrying a coupon of 9% percent were offered at a price of 97 1/2 percent, or 1/2 percent below par. The subsequent increase in the SNCF issue coincided with the launching of 1.7 billion francs of 10-year bonds by Caisse Nationale des Telecommunications carrying a coupon of 10 percent, also a fungible issue that creates a jumbo 3.7 billion francs in outstanding paper.

BECAUSE OF THE perceived enhancement in liquidity in the secondary market, jumbo issues are much in favor in all segments of the market. But the pricing and method of marketing the issues had French bankers complaining about the way Credit Commercial de France, lead manager of both, handled the issues.

In particular, competitors objected to the old-style syndication where underwriters are free to unload paper at any price and, under the pressure of competition, often do so at no profit. For its part, CCF said there was competitive bidding for both issues and that its pricing was not the most aggressive.

CCF added that it favors distributing paper under the new fixed reoffered price system, which assures a uniform fixed price to all investors and pre-set commission to lead managers. But a spokesman said that such a procedure "is not always possible," adding "it's also a question of the amount and the market environment."

Both issues ended the week trading at discounts equal to the full face.

Renault Credit International also tapped the market last week, issuing 800 million francs of three-year notes fungible with a 700 million franc issue launched last June. The coupon is 10% percent and the notes were offered at a premium of 101%.

In contrast to the upset in the French sector, there was wide approval for the way Merrill Lynch handled the first-ever global bond denominated in Canadian dollars, launched by Ontario Hydro. Initially expected to total one billion Canadian dollars, the issue carrying a coupon of 10% percent was increased to 1.25 billion dollars and was priced under the fixed reoffered system at 99.83 to yield 10.92 percent, or 65 basis points over comparably dated Canadian government paper.

This was the single biggest Canadian dollar bond ever launched and Merrill officials estimated that Canadian and European investors each took a third of the offered amount with Japanese and U.S. investors splitting the remainder.

The size and hoopla surrounding the global issue overshadowed the tightly-priced 150 million dollars of six-year notes IBM Canada offered with a coupon of 11 percent. But bankers said they had no doubts that the paper would be taken up by retail investors for whom IBM is a magic name.

The ECU market is also gearing up for more jumbo issues, although these are now most likely to emerge until the new year. In addition to the British government, bankers expect long-term jumbo issues to be launched by Belgium and possibly Denmark. They will join France, Italy and Spain who are already steady issuers in this sector.

CURRENCY RATES

Cross Rates	Dec. 7	Dec. 8	Dec. 9	Dec. 10
American dollar	1.00	1.00	1.00	1.00
British pound	1.66	1.66	1.66	1.66
French franc	6.55	6.55	6.55	6.55
German mark	1.36	1.36	1.36	1.36
Italian lira	2.00	2.00	2.00	2.00
Japanese yen	160.00	160.00	160.00	160.00
Swiss franc	1.48	1.48	1.48	1.48
Spanish peseta	166.64	166.64	166.64	166.64
U.S. dollar	1.00	1.00	1.00	1.00
West German mark	1.36	1.36	1.36	1.36

Other Dollar Values

Currency	Per \$	Per 100	Per 1,000
Australian dollar	0.75	75.00	7,500.00
British pound	1.66	166.00	16,600.00
Canadian dollar	0.75	75.00	7,500.00
French franc	6.55	655.00	65,500.00
German mark	1.36	136.00	13,600.00
Italian lira	2.00	200.00	20,000.00
Japanese yen	160.00	16,000.00	1,600,000.00
Spanish peseta	166.64	16,664.00	1,666,400.00
Swiss franc	1.48	148.00	14,800.00
U.S. dollar	1.00	100.00	10,000.00

Forward Rates

Currency	30-day	60-day	90-day	120-day
British pound	1.66	1.66	1.66	1.66
French franc	6.55	6.55	6.55	6.55
German mark	1.36	1.36	1.36	1.36
Italian lira	2.00	2.00	2.00	2.00
Japanese yen	160.00	160.00	160.00	160.00
Swiss franc	1.48	1.48	1.48	1.48
Spanish peseta	166.64	166.64	166.64	166.64
U.S. dollar	1.00	1.00	1.00	1.00

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes	Dec. 7	Dec. 8	Dec. 9	Dec. 10
DJ index	2,990.10	2,990.10	2,990.10	2,990.10
DJ 100	2,990.10	2,990.10	2,990.10	2,990.10
DJ 200	2,990.10	2,990.10	2,990.10	2,990.10
S&P 500	2,990.10	2,990.10	2,990.10	2,990.10
S&P 500	2,990.10	2,990.10	2,990.10	2,990.10
S&P 500	2,990.10	2,990.10	2,990.10	2,990.10
S&P 500	2,990.10	2,990.10	2,990.10	2,990.10
S&P 500	2,990.10	2,990.10	2,990.10	2,990.10
S&P 500	2,990.10	2,990.10	2,990.10	2,990.10
S&P 500	2,990.10	2,990.10	2,990.10	2,990.10

EC Holds Firm on Farm Aid Position

Compiled by Our Staff From Despatches

PARIS — Following the collapse of world trade talks, France's minister for European affairs, Elisabeth Guigou, said over the weekend that the European Community would hold fast to its offer of cutting farm subsidies by no more than 30 percent when global negotiations resume next month.

"We produced an offer in the agricultural field that we Europeans deem reasonable and we do intend to maintain it," Mrs. Guigou told French radio on Saturday.

A last-ditch meeting of nations in the General Agreement on Tariffs and Trade ended in disarray Friday when the EC refused to negotiate deeper cuts in farm price supports demanded by the United States and many other exporting nations. The four-year round of trade talks officially ended on Friday.

Negotiators agreed to meet again in Geneva

next month, but the U.S. Trade Representative Carla A. Hills said resumption would depend on the EC adopting a softer line on the farm issue.

Positions of many EC countries appeared to harden over the weekend, however. In Madrid, Prime Minister Felipe Gonzalez said Europe "is not going to abandon its farmers whatever happens at GATT."

In London, Agriculture Minister John Gummer of Britain put the blame squarely on the United States for the failure of the talks.

"America has got to think very seriously about the way she has tried to get a deal which would protect her own farmers and affect everybody else's farmers," he said.

EC officials may have an opportunity to discuss the position on the GATT talks when they meet later this week to consider amendments to the Community's founding treaties in

an effort to pave the way for European monetary union.

Other countries said they would also hold to their positions when talks resume. Agriculture Minister Tomio Yamamoto of Japan told reporters over the weekend that Japan will continue to insist on the need for protection of basic foodstuff production when talks begin again in Geneva next month.

Japan argued for such protection of rice for food security, environmental and social reasons at the talks in Brussels.

Representatives from developing countries in Africa and Asia expressed bitterness over the collapse of the talks.

"For those of us who took the trouble to travel 5,000 kilometers (3,100 miles) for nothing, the dominant feeling is one of anger and regret," an Ivory Coast official said. (Reuters, AFP)

Can Game Boy Zap Rivals? Nintendo Says 'Yes'

By Anthony Ramirez

New York Times Service

NEW YORK — Will Nintendo, the world's biggest maker of computer games, be zapped in the United States this increasingly bleak Christmas? Many stock analysts think so. Nintendo competitors hope so.

Nintendo says, dream on. More than the dominance of games like Super Mario Brothers 3 and the Legend of Zelda is at stake. Nintendo, the toy sensation of the last three Christmases, remains the best-selling toy in the industry, and its fate may signal whether consumers will continue to pay high prices for toys.

Of every dollar Americans spent on toys last year, 16 cents went to Nintendo. That was \$2.7 billion out of a total \$16.3 billion that Mom and Dad did not spend on Barbie dolls, Hulk Hogan "action figures," licensed merchandise like Batman soap or Scattergories board games.

While Nintendo's rivals, like Sega of America and NEC Technologies, say their sales are better than expected, they remain tiny blips on the radar screen of Nintendo, which has more than 90 percent of the game market.

Even so, Nintendo has had to scale back its sales projections. But even with slow third-quarter sales, Nintendo and its licensees will see a sharp sales rise this year, said Peter Main, vice president for marketing for Nintendo of America, the subsidiary of the Japanese company that is based in Redmond, Washington.

Retailers love Nintendo because it is a large profit sitting on a little shelf space. Nintendo's dictionary-sized plastic game console, which looks up to a television set, sells for \$99.

Its hundreds of microchip-

stuffed game cartridges, the size of a slice of bread, sell for up to \$20. Game Boy, the hand-held Nintendo game console the size of a Sony Walkman, sells for \$89.95; its tiny game cartridges cost a hefty \$29.95.

If Nintendo slips, said Paul Valente, a toy-industry analyst for Standard & Poor's, then makers of more traditional toys and board games will benefit.

"We can put our hands on hard evidence that Nintendo is faltering," he said. Toy retailers are already sharply discounting Nintendo games. And 70 percent of American households with children aged eight to 15 already have Nintendo, signaling market saturation.

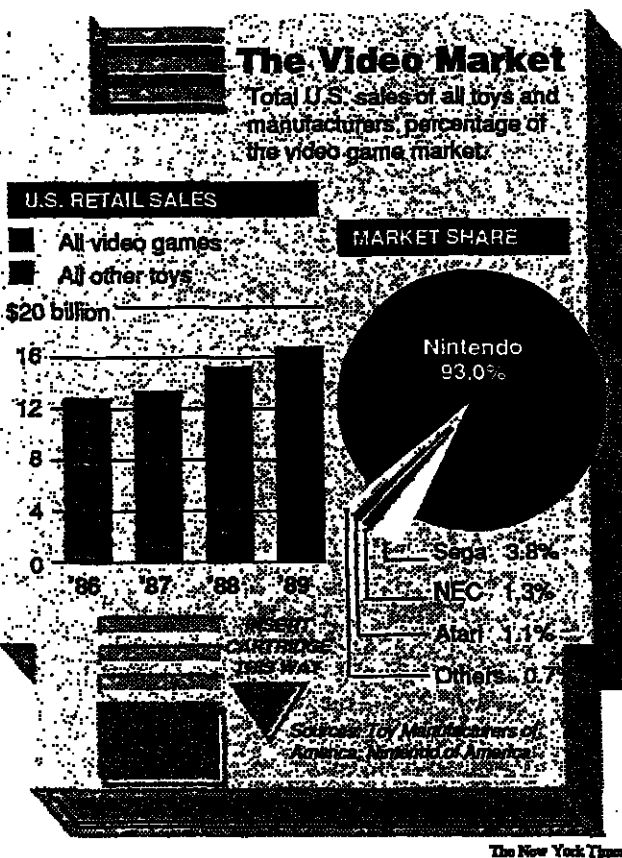
But Nintendo is not dying, according to Mr. Main. Just about every youngster does have Nintendo, he admitted, but that was why the company's new marketing pitch was aimed at adults, who already make up a third of Nintendo players.

Even with its lower sales expectations and market-down softeners, Nintendo will still sell significantly more units than last year. Mario, the little Italian plumber who stars in the most popular line of Nintendo games, gives the company a brand-name recognition that competitors like Sega and NEC do not have, he said.

Five of the top 10 toys, according to the latest survey of Toy & Hobby World magazine, are Nintendo. The game console is still the nation's best-selling plaything.

Nintendo's direct competitors are making headway with technologically advanced games and equipment. But Nintendo says it has a 93 percent share of the game market, Sega 3.8 percent, NEC 1.3 percent and Atari Games 1.1 percent.

Using the lowest of Nintendo of



America's unit sales projections, the company and its licensees could post 1990 retail sales of \$3.8 billion, up 40 percent from a year ago.

Much of Nintendo's expected 1990 increase results from surging sales of Game Boy and its software. Nintendo expects to sell 4.4 million Game Boys, down from 5 million, projected earlier, but quadruple the level of a million last year, when it was introduced.

As Game Boy this year stimulat-

VW Wins Bid For Partnership With Skoda

Compiled by Our Staff From Despatches

PRAGUE — Volkswagen AG of Germany has won the right to join forces with the Czechoslovakian company that makes Skoda cars, beating a competing bid from the French automaker Renault.

Petr Pithart, premier of the Czech republic, said Sunday. Volkswagen's 8 billion Deutsche mark (\$5.39 billion) bid for a stake in AZNP Mlada Boleslav, Skoda's state-owned maker, had been favored to win out over a 13 billion franc (\$2.58 billion) offer from Renault and its Swedish partner Volvo AB.

The final decision in favor of Volkswagen, after months of negotiations, was made by the Czech regional government at a special session on Sunday, Mr. Pithart said.

He did not say whether Skoda's management had opted for Volkswagen in its recommendation to the Czech government, which is the legal owner of the nationalized concern and therefore had the final say.

The Czech concern is to be transformed soon into a joint stock company. Volkswagen would have a stake in Skoda of between 25 and 33 percent, but it could increase in the future, Mr. Pithart said.

"The government is preparing the conditions of the contract with the German automobile firm," he said. "But we must insist on the fact that the decision is conditional on there being agreement on all the basic terms of the contract proposed by the government."

Mr. Pithart said Volkswagen offered better financial conditions than Renault and a more comprehensive social package. He gave no details.

He said Volkswagen's production intentions, technology and in-

vestments were superior to Renault's and the German company was more concerned with employment and social conditions.

"We were also concerned about the will to respect the future of the Skoda marque," he said. "But above all we considered financial implications and they offered us export possibilities."

Volkswagen's offer has not been fully publicized but the German company promised to help expand production of Skoda's popular Favorit model.

The Renault-Volvo offer included continuing production of the Favorit, but also production of the Renault R19 Chateau vehicle at Skoda facilities and development of a joint new model with Skoda. Renault reportedly had pledged to keep the Skoda name only for the Eastern European market.

Unions representing the 15,000 Skoda workers came out strongly in favor of Volkswagen, saying its offer gave them greater job security and was more comprehensive.

In Paris, Renault said Sunday it was waiting for official notification from Skoda itself before commenting on the Czech government's decision.

Under the deal, a Skoda representative will get a seat on Volkswagen's main supervisory board. The German company has stressed that Skoda will remain an independent part of the Volkswagen empire.

Skoda is considered one of the best auto manufacturers in Eastern Europe. It has a manufacturing tradition predating communism, uses its own designs instead of retailed Western designs, and its cars have a relatively good reputation for reliability. (Reuters, AP, AFP)

After British Sugar, ABF Eyes Continent

By Leigh Bruce

International Herald Tribune

LONDON — The £880 million (\$1.7 billion) acquisition of Europe's third-largest sugar producer, British Sugar PLC, by Associated British Foods PLC should bring both companies substantial long-term benefits and make the combined group an even stronger Europe-wide competitor.

The deal, finalized over the weekend, will also relieve pressure on the seller, the commodities trading and property company Berisford International PLC. Its heavy debt and exposure to the declining U.K. and U.S. property markets had led some market analysts to question whether it might become another victim of the economic downturn.

ABF Chairman Gerry Weston has long been a critic of Berisford's handling of British Sugar, and had made no secret of his desire to acquire the company. The traditional markets of ABF, a milling and baking group, have shown little growth in recent years.

Many analysts concluded that the group needed to enter new areas to ensure both long-term growth and expansion opportunities on the European continent.

ABF's victory at a price substantially below the norm for such acquisitions — eight times pretax earnings as opposed to some recent deals worth as much as 24 times earnings — will allow Mr. Weston to do just that.

ABF's winning bid was substantially below market estimates that British Sugar was worth more than £1 billion, reflecting both the depressed economic climate and the buyers' view that Berisford was in no position to play hard to get.

In the financial year that ended Sept. 30, British Sugar had sales of £716 million and pretax profit of £110 million.

ABF will have cash reserves of between £200 and £300 million after the purchase, and the ABF chairman has said he would consid-

er acquisitions in Europe, where the sugar industry remains fragmented.

ABF also holds a large share of Berisford following a takeover bid that was aborted by the 1987 stock market collapse. By substantially reducing Berisford's debt, the sale of British Sugar should enhance the value of that investment.

British Sugar should also be pleased to be part of a solid group with long-term commitment to the business. Since being acquired by Berisford in 1982, it has been the target of several takeover bids from Ferruzzi Group SpA of Italy and Tate & Lyle PLC of Britain.

Berisford's focus on large investments in property and, recently, its mounting financial problems had clouded the sugar company's prospects despite its dominant position.

Speculation about the future of Berisford should now ease substantially. The company's chairman, John Slater, who took over when his controversial predecessor Ephraim Margulies was ousted last spring, said the sale would place the group "on a stable footing."

Nonetheless, analysts have pointed out that there may not be an upturn in the property market for as long as 12 to 18 months. Berisford owns £140 million of real estate in Britain and 4 million square feet of idle office space in the depressed New York market.

With debts of £1.3 billion last summer and huge stocks of non-performing and unsellable property, the group seemed on the verge of collapse as its share price plummeted from 151 pence to its current 28.5 pence.

By unloading British Sugar, only the latest but by far the biggest in a series of recent disposals, Berisford will bring its heavy burden of debt down to £200 million. Analysts expect the group will further reduce its debt by disposing of between £100 million and £150 million worth of remaining peripheral businesses.

Auditors Doubt Bond Corp. Will Survive

Reuters

PERTH, Australia — Auditors to Bond Corp., mixed in debts of almost 4 billion dollars (\$3 billion), say they have doubts about whether Alan Bond's former flagship company can be kept afloat.

In a qualifying report on Bond Corp.'s annual accounts, Arthur Andersen said the company had a deficiency of 1.3 billion dollars of shareholder funds.

The report was released on Friday, hours after Mr. Bond appeared in court on charges that carry a possible five-year jail sentence. It said that in the auditors' opinion there was "significant uncertainty" whether the group will be able to continue as a going concern.

Bond Corp.'s chairman, Peter Lucas, said in the annual report that if it were liquidated, unsecured creditors would receive no more than one cent in the dollar.

The company has yet to get approval from courts or creditors for a proposed debt-for-equity scheme with European bondholders.

Investors Cautioned on Gulf Hopes

By Carl Gewirtz

International Herald Tribune

PARIS — Fading prospects of a shooting war in the Gulf gave a boost to financial markets around the world last week. But analysts were not impressed.

They caution that investors may be reading too much into diplomatic maneuvers and warn that even a peaceful settlement could turn out to be a mixed blessing by aggravating existing tensions in the foreign exchange market.

A quick settlement, particularly one that would bring Iraqi and Kuwaiti oil production back on to world markets, would set the stage for a reverse oil shock, experts say, creating an oversupply that causes the oil price to collapse back to \$15 a barrel or less. Before the Iraqi invasion, oil was trading at around \$17 and in the panic following the annexation of Kuwait, the price briefly breached \$40. It ended last week at \$26.50 per barrel.

For investors, analysts doubt that a withdrawal by Iraq from Kuwait is imminent. "It's possible, but a low probability," says Norbert Walter, senior economist at Deutsche Bank AG in Frankfurt.

William Ledward, London-based economist for Nomura Research Institute, says that "markets expect a compromise and think

that is good." But he added that "we are now out of a war scenario and when the breakdown comes, markets will be in for a big disappointment."

An even worse outcome, he warns, would be a settlement that leaves Saddam Hussein's chemical and nuclear potential intact, to be used in the future to impose production and pricing discipline on neighboring oil producers.

On the other hand, experts are wary about a collapse in the price of oil now that production has exceeded pre-crisis levels. A peaceful end to the standoff in the Gulf would create a huge surplus after Iraq and Kuwait resume exports, particularly as slower economic growth around the world will mean less demand for crude oil.

Germany and Japan would be the main beneficiaries from a sharp drop in the price of oil, since worries about inflation are the main constraint on domestic policy. Lower inflation would virtually eliminate fears of further tightening of monetary policy and possibly open the way for some easing. That would be good news for bond markets, where yields on 10-year government bonds have already started declining.

German government bonds ended the week yielding 8.77 percent compared to 8.82 percent a week

earlier. In Japan, the yield declined to 7.21 percent from 7.43 percent. Stock prices also rallied, and both trends were picked up in neighboring markets.

But a drop in oil prices would be bad news for the Soviet Union — a main source of urgently needed hard-currency income — as well as for debt-strapped developing countries like Mexico and Venezuela.

For the United States, the effect would be "ambiguous," says John Lipsky, London-based analyst for Salomon Brothers. "It would ease fears of inflation and probably encourage prospects for a resumption of growth."

But he, as well as Mr. Walter and Mr. Ledward, agree that whatever long-term benefits may be derived, the short-term effect on the currency would be negative.

The dollar, although considerably weakened from the levels prevailing on Aug. 2 when Iraq invaded Kuwait, has benefited from the high price of oil in a number of ways. To begin with, there has been increased transaction demand — more dollars have been needed by importers around the world to pay for oil.

More significantly, it is widely believed that the Middle East oil producers have placed the bulk of

See DOLLAR, Page 11

BusinessWeek

This week's topics:

- Global Economy: Can The U.S. Compete?
- AT&T's Tough New Aggressiveness
- The Furor Over Deceptive Truffles
- Even Japan Is Feeling The Squeeze
- The Fed Eases, But Will It Work?

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OTC Consolidated trading for week ended Friday, December 7.

GLOBAL MARKET

	Sales In			Ne	
	100s	High	Low	Close	Ch

	Sales in 100s	High	Low	Close	Net Chg
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	Sales in 100s	High	Low	Close	N Ch
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Symbol	Sales in 100s				N Ch
	High	Low	Close		

	Sales in	N
	100's High Low Close Ch	
98-12	78.25 77.50 77.50	27

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(Continued on Page 15)

صبرنا من الازل

International

Report Section

New International Bond Issues

Compiled by Laurence Desvillettes

Issuer	Amount (millions)	Mat.	Coups %	Price	Price and week	Terms
Floating Rate Notes						
Central Leasing Company	DM 75	1995	0.15	100	—	Over 6-month Libor. Noncallable private placement. Fees 0.30%. (Walddeutsche Landesbank.)
Mitsui Real Estate Development	¥30,000	1997	0.20	100	—	Below Japanese long-term prime rate. Noncallable private placement. Fees 0.40%. Denominations 10 million yen. (Nomura Int'l.)
Fixed-Coupons						
Export-Import Bank of Japan	\$300	1996	8%	100	102.45	Noncallable. Fees 0.25%. Payable in Jan. (BNI Int'l.)
Guinness Finance	\$200	1996	9	101.825	100.30	Noncallable. Fees 1.6%. Payable in Jan. (Credit Suisse First Boston.)
Anglian Water	£100	2014	12	99.497	—	Noncallable. Fees 0.625%. Denominations £10,000. Payable in Jan. (Worthing Securities.)
Guinness Finance	£150	1996	12	101.27	100.38	Noncallable. Fees 1.6%. Payable in Jan. (Credit Suisse First Boston.)
Deutsche Bank Luxembourg	DM 200	1997	9	101%	—	Noncallable. Fees not disclosed. (Deutsche Bank.)
Caisses Nationales des Télécommunications	FF 1,700	2000	10	100.10	98.15	Noncallable. Fees 2%. (Crédit Commercial de France.)
Société Nationale des Chemins de Fer Français	FF 1,250	1997	9%	97	95.12	Noncallable. Fees 1.6%. (Crédit Commercial de France.)
World Bank	US\$ 300,000	1998	12%	101%	99.25	Noncallable. Fees 1.6%. Payable in Jan. (Istituto Bancario San Paolo di Torino.)
European Investment Bank	PTA 20,000	1997	13.35	101%	99.85	Noncallable. Fees 1.6%. (Banesto.)
European Investment Bank	ESC 12,500	1995	15%	100%	99.38	Noncallable. Fees 1.6%. (Cofina General de Depósitos.)
Ente Ferrovie	ECU 500	1998	10%	99.98	99.90	Noncallable. Fees 0.30%. Payable in Jan. (Banca di Roma.)
Swedish Export Credit	ECU 150	1994	9%	100.385	98.80	Noncallable. Fees 1.6%. Payable in Jan. (Bonters Trust Int'l.)
JBM Canada	CS 150	1996	11	101	99.10	Noncallable. Fees 1.6%. Payable in Jan. (ScottsMcLeod.)
Ontario Hydro	CS 1,250	1996	10%	99.83	100.30	Semiannually. Noncallable. Fees 0.25%. Payable in Jan. (Wentworth Lynch Int'l.)
European Investment Bank	¥20,000	2000	6%	96.10	—	Noncallable. Fees not disclosed. (Daiva Europe.)
Fujitsu	¥30,000	1997	7%	101.40	98.40	Noncallable. Fees 1.6%. Denominations 10 million yen. (Nikko Securities Europe.)
Minolta Europe Finance	¥13,000	1995	7%	101%	—	Noncallable. Fees 1.6%. Denominations 10 million yen. Payable in March. (Daiva Europe.)
Mitsubishi Motors	¥50,000	1995	7%	101.40	—	Noncallable. Fees 1.6%. Denominations 10 million yen. (Nikko Securities Europe.)
Orix Ireland Finance	¥20,000	1995	8%	101%	—	Interest will be 85% in first three years and 0.15 over 6-month Libor thereafter. Redeemable at par in 1995. Fees 1.6%. Denominations 10 million yen. (Daiva Europe.)
Sumitomo Chemical	¥15,000	1995	7.90	101.575	—	Noncallable. Fees 1.6%. Denominations 10 million yen. (Nomura Int'l.)
Union Bank of Finland	¥12,000	1993	7.80	101.275	—	Noncallable. Fees 1.6%. Denominations 10 million yen. (Mitsui Trust Int'l.)
Equity-Linked						
Daiichi Chuo Kisen	\$110	1994	4%	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 508 yen per share and of 133.50 yen per dollar. (Daiva Europe.)
Dowa Mining	\$120	1994	open	100	101.00	Coupon indicated at 4.6%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 13. (Nikko Securities Europe.)
Komatsu	\$400	1994	4%	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 943 yen per share and of 134.50 yen per dollar. Fees 2.6%. (Nomura Int'l.)
Mitsubishi Motors	\$400	1994	open	100	100.63	Coupon indicated at 4.6%. Noncallable. Each \$10,000 note with two warrants exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 13. (Nikko Securities Europe.)
Nichiei	\$130	1994	open	100	100.30	Coupon indicated at 4.6%. Noncallable. Each \$10,000 note with two warrants exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 10. (Yamaichi Int'l Europe.)
Nippon Kasei Steel	\$80	1994	5	100	100.70	Noncallable. Each \$10,000 note with two warrants exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 11. (Yamaichi Int'l Europe.)
Nippon Soda	\$90	1994	open	100	100.40	Coupon indicated at 5.6%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 11. (Nikko Securities Europe.)
Nippon Synthetic Chemical Industry	\$100	1994	open	100	100.30	Coupon indicated at 4.6%. Noncallable. Each \$10,000 note with two warrants exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 10. (Yamaichi Int'l Europe.)
Obayashi	\$400	1994	open	100	100.75	Coupon indicated at 4.6%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 12. (Nomura Int'l.)
Sanshin Electronics	\$50	1994	4%	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 2,102 yen per share and of 135.00 yen per dollar. Fees 2.6%. (Daiva Europe.)
Tokyo Department Store	\$350	1994	open	100	100.63	Coupon indicated at 4.6%. Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 12. (Nomura Int'l.)
Towa Real Estate Development	\$100	1994	4%	100	—	Noncallable. Each \$5,000 note with one warrant exercisable into company's shares of 539 yen per share and of 135.00 yen per dollar. Fees 2.6%. (Nomura Int'l.)
Yokohama Rubber	\$150	1994	4%	100	—	Noncallable. Each \$10,000 note with two warrants exercisable into company's shares of 902 yen per share and of 135.00 yen per dollar. Fees 2.6%. (Yamaichi Int'l.)
Gastec Services	DM 45	1994	5%	100	104.75	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares of 987 yen per share and of 89.34 yen per mark. Fees 2.6%. (Nomura Bank.)
Misawa Homes	DM 90	1995	5%	100	100.30	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 12. Payable in Jan. (Nomura Bank.)
Snow Brands Food	DM 60	1994	5%	100	101.00	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares of an expected 29% premium. Fees 2.6%. Terms to be set Dec. 10. (Commerzbank.)
Toda Construction	DM 50	1994	5%	100	—	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares of 1,322 yen per share and of 89.42 yen per mark. Fees 2.6%. (Commerzbank.)

Bank Deal Reportedly In Trouble

HONG KONG — Published reports on Sunday said a planned merger between Hongkong & Shanghai Banking Corp. and Midland Bank PLC would be called off, but a spokesman for Hongkong Bank said talks on business links were continuing.

British newspapers reported that a three-year standstill pact between the two banks, ending on Dec. 3 and limiting Hongkong Bank's Midland stake to its current level, would not be renewed and the planned merger would be not go ahead.

Michael Broadbent, a spokesman for Hongkong Bank, responded to the reports. "The fact is we have said nothing beyond what we said on Aug. 28 when Hongkong Bank announced its interim results, which is: 'Talks continue,'" he said. Hongkong Bank holds 14.9 percent of Midland.

The Sunday Telegraph said a number of potential bidders had approached the Bank of England to express an interest in opening takeover discussions with Midland. Interest was fueled by speculation that the merger with Hongkong Bank would not proceed, it said.

The Telegraph quoted sources in the City of London as saying National Westminster Bank and TSB Group PLC, which has a big cash pile, have both examined Midland closely and are the favored British candidates for a merger. Other interested parties include Citicorp and Dresdner Bank AG and Swiss Bank Corp. may be interested.

DOLLAR: Gulf Peace Hopes

(Continued from first finance page)

the windfall rise in income in the United States, either directly to the Pentagon to pay for the U.S. military presence in the Gulf or into the U.S. government bond market as a sign of good faith.

A decline in the oil states' income would translate into less foreign funds flowing into the bond market — and this at a time when Japanese and European investors are not investing in dollars — risking to put upward pressure on long-term rates at the very time the Federal Reserve is trying to nudge rates down.

Analysts also expect that a decline in oil prices, by easing U.S. worries about inflation, would open the way for the Fed to aggressively ease monetary policy in an effort to halt the economic decline.

The Fed last week did reduce interest rates another quarter-point to 7 1/4 percent on Friday after the government reported a sharp increase in unemployment to a three-year high. It was the Fed's second quarter-point cut in the federal funds rate in a month.

The central bank has moved cautiously in response to mounting signs of slowdown because of its concern about inflation, which is forecast to peak at a 7.5 percent annual rate early next year.

Abating inflation would free the Fed to concentrate on the slow-down, analysts agree, but that in turn would make the dollar a less attractive investment.

This was apparent last week when, in the wake of the Fed's latest rate cut, bond prices soared and yields tumbled — down about a quarter of a percentage point on the week. The yield on 10-year bonds finished at 8.01 percent. Although this is about 3/4-point higher than Japanese yields and only 1/4-point below German bonds, after deducting expected inflation the "real" yield on U.S. paper is about 1 percent compared to nearly 3 percent in Japan and Germany.

As a result, the rally in the U.S. bond market was met with a rout in the foreign exchange market. After opening the week at 1.5042 Deutsche marks and 132.50 yen, the dollar ended the week at 1.4725 DM, barely one pfennig above its all-time low, and at 130.75 yen.

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Jobless Report Sends U.S. Bond Prices Soaring

NEW YORK — The Treasury bond market leaped ahead last week on the toughest evidence to date that the U.S. economy is tumbling into recession.

Market analysts said the news that U.S. unemployment rose to 5.9 percent in November, up 0.2 percent from October, plus the week's diplomatic maneuvers in the Gulf, was very positive for bonds.

The Treasury's bellwether 30-year bond, the 8 1/4 percent issue that matures in 2020 closed Friday at a price of 106 8/32 to yield 8.19 percent, up sharply from 103 26/32 to yield 8.40 percent a week earlier.

Economists say that unemployment approaching 6 percent puts downward pressure on inflation as wage demands are moderated. So the surge in joblessness to 5.9 percent went a long way to allaying bond market inflation fears.

But observers said the key element was evidence of recession, which led the Federal Reserve to take action Friday to push the key federal funds rate down to 7.25 percent from 7.50 percent.

"What provoked the Fed to act was the November numbers were far worse than they appear at first glance," said Philip Braverman, chief economist at DKB Securities Corp., the domestic arm of Dai-ichi Kangyo Bank of Tokyo. "A truer and sadder picture emerges when one looks at the household tally of jobless, and not just the nonfarm payroll numbers."

The payroll data showed that 267,000 nonfarm jobs were lost in November, worse than the drop of 178,000 in October. These figures include those people holding one or more part-time jobs, Mr. Braverman said.

A few regional banks reduced their prime lending rates to 9.75 percent from 10 percent following the Fed move. But analysts do not expect the bigger banks to follow suit immediately.

U.S. CREDIT MARKETS

Eugene J. Sherman, senior vice president and chief economist at Federal Home Loan Bank of New York, said, "There will only be a cut in the prime at the majors after the Fed cuts its discount rate, which is now 7 percent."

"Even then, most banks will be reluctant to cut their prime because so much of their consumer lending, including home equity loans and credit cards, are linked to their prime. And consumer lending is the brightest area of the banking business today."

Mr. Sherman noted the Fed's discount rate to member banks was no longer the powerful tool it was a decade or so ago because banks have developed other sources of funds.

Still, he pointed out, "the Fed has to make a bold statement to revive both consumer and business confidence, and cutting the dis-

count rate would be a good way to do this."

Economists thought the Fed might decide to ease again soon — possibly at the Dec. 17 meeting of its policy-setting Open Market Committee.

Or the central bank could bring the fed funds rate down as it reminds to banks, from Dec. 13 to Jan. 10, about \$14 billion previously deposited with it as reserves. The Fed will

Bush to Settle Differences Over Clarke Appointment

Washington Post Service

WASHINGTON — President George Bush will probably decide this week whether to reappoint Robert L. Clarke to a second five-year term as regulator of most of the top U.S. banks, as Treasury Secretary Nicholas F. Brady recommends, or to dump him, as the White House Chief of Staff John H. Sununu wants, a White House official said.

"Bush has taken a personal interest and he is the one who will decide," the official said. He claimed it had nothing to do with personalities but had to do with administration policy toward banks.

Mr. Clarke's reappointment as Comptroller of the Currency is being questioned by Mr. Sununu, some bankers and some major contributors to the Republican Party who believe his office has cracked down so hard on banks that creditworthy businesses cannot get credit.

Mr. Sununu's opposition generated a rash of public statements of support for Mr. Clarke from members of Congress, government officials and some bankers.

GREECE Charting a New Course

New Administration Turns To Free-Market Principles

A political paradox occurred in Greece last October: A government in power, burdened with a series of unpopular economic measures, won most municipal elections.

In Greece's postwar history, voters have tended to entrust local government to opposition candidates. Last October, by supporting the ruling New Democracy Party, they reversed this trend. Prime Minister Constantine Mitsotakis interpreted the vote as an approval of his austerity measures, which he believes will re-

workers to shut down the economy whenever they go on strike.

Mr. Mitsotakis is also trying to liberalize his country's economy. His position is that a free-market economy suits Greeks better and will benefit Greece more with in Europe after 1992.

Explaining his policies during a meeting with Greek and foreign businessmen and economists early in November, Mr. Mitsotakis said: "We believe in the principles of a market economy and in a smaller but more efficient state." This, he explained, means cutting down on bureaucracy and minimizing state intervention. He also stressed his country's irreversible course within the North Atlantic Treaty Organization and the European Community.

Under the previous administration, the public debt reached \$100 billion, or 22 percent of the gross national product. One-fifth of this amount is foreign debt. "To serve this debt, the 1991 budget will provide \$15 billion, and in 1992, this amount will rise to \$17.5 billion," says Finance Minister Yannis Paliokrassas.

Mr. Paliokrassas plans to eliminate primary deficit in 1991 by selling the assets of govern-

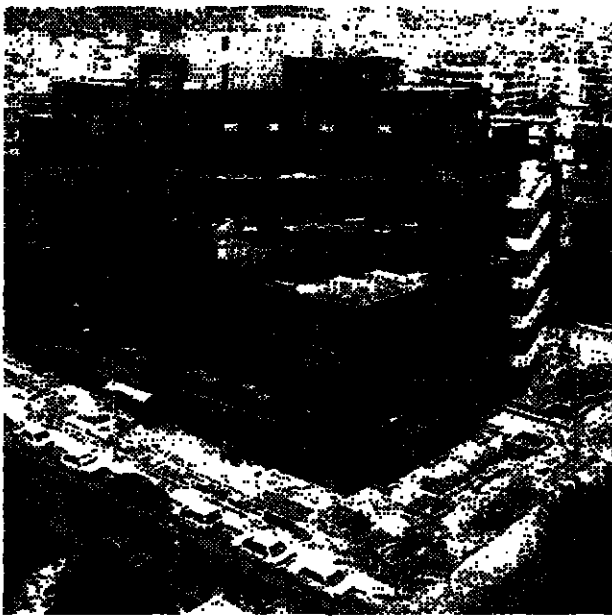
ment-controlled enterprises, introducing the sale of government land bonds and improving taxation through the computerization of the internal revenue service. His goal is a balanced budget by 1993.

At least 360 state-controlled companies will be put up for sale. ETBA, the Hellenic Industrial Development Bank, alone has 15 such enterprises in the industrial, mining and services sectors, valued at \$162 million and with liabilities of approximately \$300 million.

To improve tax collection, the ministry of finance will hire 2,000 specialists in computer accounting. Thus, Mr. Paliokrassas expects to erase budget deficits without increasing taxes. This, in turn, should lower inflation, with the intention of bringing it down to 10 percent by 1993, from over 20 percent at the end of 1990.

Says Nikos Stefanou, a finance ministry spokesman, "With the drop of the inflation rate, interest rates will level down to reasonable percentages, thus creating a favorable climate for investments, commercial operations and exports."

Yannis Costopoulos, president of the Credit Bank, Greece's largest



Building the new Greece: the ETBA building under construction.

private bank, points out that with interest rates and commissions running to about 30 percent, borrowing for long-term projects is almost prohibitive.

Despite a tight budget, the country's infrastructure development program will be intensified. According to Nikos Gelesthis, minister of communication and transport, this will include a new subway line for Athens, improvement and extension of the existing train lines all over the country, the introduction of electric locomotives, a new airport for Athens by 1994 and the investment of over \$1 billion in modernization and expansion of telecommunications.

The most important side of this telecommunications modernization, says Mr. Gelesthis, will be the introduction of a digital phone system and the addition of 1.2 million new telephone connections by the end of 1993.

"This will cover over one million applications for the installation of new telephones in Athens and the countryside," he says. Other major projects are the long bridge of Rio-Antirio, which will connect the Peloponnese with western Greece, and a pipeline for the supply of liquid gas from the Soviet Union.

Some of these projects will be financed directly by the Greek government with 7.3 billion ECUs in aid from the European Community. Some will be self-financed, according to Prime Minister Mitsotakis.

With the infrastructure projects under way, he considers it the right time for foreign investors to turn to Greece.

Mr. Mitsotakis also considers that after the municipal elections of last October, Greece has reached a satisfactory level of governmental stability.

"I don't foresee elections before 1994," he said, after parliament passed a new electoral law providing for an ample parliamentary majority for the first party winning over 44 percent of the popular vote.

Investment in Greece has been made more attractive for foreigners by a law allowing them to channel their gains and capital abroad at any moment. As Foreign Minister Antonios Samaras says, "Foreign investments don't go where they are needed, but where they see long-term benefits."

John Rigos

Austerity Plan Will Pay Off, According to Prime Minister

Constantine Mitsotakis, whose New Democracy Party returned to power in April, discusses the campaign to turn around the economy by encouraging the private sector.

The government has taken a series of necessary but unpopular measures in order to stabilize the economy. How does it intend to avoid a popular backlash?

The Greek people are mature and responsible, and aware of the fact that their government inherited an economy at the threshold of collapse. They are therefore exhibit-

ed with the privatization of several problematic enterprises, which through the Industrial Restoration Organization actually belonged to the state. We also turned over to the private sector an affiliate of Olympic Airways, Olympic Catering. It is our intention to turn over to the private sector certain activities of public utilities, such as the Telecommunications Agency. Furthermore, through the new tax bill, all state enterprises can turn over 49 percent of their shares.

Part of the country's infrastructure needs completion and restoration. How are you going to fulfill such a task in view of the present economic situation?



Prime Minister Constantine Mitsotakis.

We definitely face serious problems with our infrastructure, but I hope that we will be able to solve them within the

next few years. In telecommunications, for instance, our Telecommunications Agency, in cooperation with the EC, has an ambitious program of modernization at the cost of 1.3 trillion drachmas [\$8.6 billion]. Several other projects are being financed by the Community Plans for Area Development with the participation of the Greek state. It is our intention to proceed with the construction of certain major projects by giving contractors exploitation rights for a certain period of time. With the improvement of its infrastructure, Greece will become more attractive to foreign investors while better serving domestic enterprises.

Major ports in northern Greece could facilitate commerce for the neighboring Balkan countries. Are there any such plans?

The ports of northern Greece can offer their facilities not only to neighboring Balkan countries, but furthermore can connect Central and Southern Europe with the countries of the Eastern Mediterranean. In regard to Bulgaria, we opened a new frontier checkpoint at Ormenion-Svilengrad for the transport of goods and passengers to the port of Alexandroupolis and other Greek ports. Undoubtedly, the recent changes in Eastern Europe and the Balkans will further the development of Greece's economic and commercial relations with our Balkan neighbors.

John Rigos

Have a nice flight



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*ETBA are the Bank's Greek initials

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Investment portfolio management

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ETBA INDUSTRIAL ESTATES (VIPETBA)
Design, study and construction of works

ETBA VENTURE CAPITAL COMPANY

Financing of investments of high technology and innovation.
(To be set up soon)

ETBA STOCK EXCHANGE COMPANY

Consultancy and management of investments by individual and institutional investors.
(To be set up soon)

ETBA HOLDING COMPANY

Management of special programs or projects of the Public Works Budget, such as companies of the mining sector, the defense industry and transport.
(To be set up soon)

ETBA MANAGEMENT COMPANY

Management of companies belonging to the ETBA Holding Company.
(To be set up soon)

ETBA

HELLENIC INDUSTRIAL DEVELOPMENT BANK S.A.

Shaping Policy

The Center for Political Research and Information, Greece's main think tank, has been in the news lately because of the country's new electoral law. Director Dimitrios Katsoudas says that the

CPRI was commissioned by the ministry of the interior to research the Greek electoral system.

"We presented our study to the minister with several propositions for electoral changes," says Mr. Katsoudas, who is also the special adviser on communication to Prime Minister Constantine Mitsotakis. "Of course, the final product was the responsibility of the government."

The Athens-based CPRI was established in 1975 by a small group of businessmen and political activists concerned about Greece's future direction. Its primary aim has been to promote an open, pluralistic society and a strong, free-market economy through publications, conferences, opinion polls and lobbying.

Its influence has been impressive. The New Democracy Party, currently in power, has used the center for information dissemination among its cadres — a key influence. Mr. Katsoudas says, in the new "liberal direction" of the party.

The CPRI was also the first organization in Greece to conduct opinion polls, beginning in the late 1970s.

"For the first time in Greece," Mr. Katsoudas says, "political parties started analyzing issues according to scientific opinion polls, rather than just guessing what the issues facing the electorate were."

Center for Political Research and Information, 12 Neofytou Douka Street, 10674 Athens, Greece. Tel. (30 1) 724-8237. Fax (30 1) 721-0965.

Pat Hamilton

مكتبة الامم

ADVERTISING SECTION

ADVERTISING SECTION

Ready, Set, Privatize: Banks Prepare for 1993

Greek banks, whether under state control or in the private sector, are undergoing a general overhaul of their operations and work methods.

"But it is not equipment that makes the difference," says Constantine Kapsaskis, governor of Ergobank, Greece's newest private bank. "It is the mentality and attitude that make a bank modern."

Dimitrios Vranopoulos, governor of the state-controlled Commercial Bank of Greece, says:

Changes both in image and in role

"Greek banking has no future with the state-run banks controlling most of the field." He considers that bankers should be responsible to stockholders, not the government.

Yannis Costopoulos is president of the Credit Bank, the country's largest private bank. In his opinion, the government can turn state-controlled banks into private ones by canceling a law that gives the minister of finance the right to control shares of banks owned by pension funds and health

Modern banking techniques are needed for Greek banks, until now mostly state-controlled, to compete with foreign banking institutions and to survive in the single European market, most economic experts believe.



The Athens Stock Exchange.

plans. "The moment these groups, which together hold the majority of shares in most state-controlled banks, are allowed to decide for themselves during shareholder meetings, state banks will start to turn private."

There are currently 21 banks in Greece, 15 of which are quoted on the Athens Stock Exchange and account for about 40

percent of its market capitalization. Of the 21 banks, only 12 are really commercial banks. The rest are mortgage banks or lending institutions geared to the needs of industry or agriculture.

In view of the unified European market, some of the noncommercial government-controlled banks are seeking to change both their image

and their role. Professor Constantine Drakatos, governor of the Hellenic Industrial Development Bank (ETBA), asserts that his bank needs to reorient its investment role. "We should become the credit adviser for the public-sector enterprises, is-

sue them new stock or bonds, help them restructure themselves, seek new sources for financing new projects and enter into venture-capital grants and leasing," he says.

ETBA has been instrumental in the government's efforts to assist new industrial ventures and help both local and foreign investors launch new enterprises. Its portfolio is now valued at \$440 million. The bank actually owns 14 companies, has controlling interest in another 14 and has minority interest in 80 companies, ranging from shipyards to manufacturing. ETBA is now ready to sell most of these enterprises to local and foreign investors.

This bank has also pioneered the establishment of industrial parks. Today 872 large and small industries are operating in 21 such parks. The bank provided 50 percent of start-up costs, with the rest coming from the government's public-investment budget and EC grants.

The Agricultural Bank of Greece, established for the application of the state's agriculture policies through subsidies of farm products and loans to

farmers and agricultural cooperatives, will also go public and seek a new role in the banking community.

Manolis Kafaloyannis, governor of the Agricultural Bank, says his bank will retain "its role as the agency for the formulation of the government's agricultural policy, which is grants of credit to the farmers."

For its additional operations, Mr. Kafaloyannis says, he needs to train his personnel in new techniques and seek ties with European banks.

Dimitrios Germidis, governor of the National Bank of Greece, the country's largest credit institution, points out that although since 1987 governments have taken measures to liberalize the banking system, there are still restraints negatively affecting banking operations. With the advent of the single market, Mr. Germidis sees his bank expanding into new fields.

"Closed-end funds, for example, would provide an interesting possibility of this kind," he says.

"Our bank's know-how at the local level and its extensive local network provide important advantages for any non-Greek newcomer."

John Rigos

Industry: Out From Under the Wing of the State

State controls, credit provision and the establishment of industrial enterprises by state organizations have led to a proliferation of state-controlled companies. Most of these 360 enterprises, described as "problematic" because of debts they cannot serve or large work forces they cannot dismiss, are up for sale.

The current Greek administration has taken the

360 'problematic' companies for sale

stance that many of these companies, if taken over by foreign investors, can become successful. It hopes that modern management techniques and new know-how will place Greek industry on a new basis. A bill calls for the sale of these "problematic enterprises" or for their liquidation in order to pay some of their debts.

A law passed last July for the development of the private sector provides several inducements to new investment. As the minister of industry, Stavros Dimas, points out, the government is obliged to respond within six months to any application for new investment or request for expansion of already operating industries.

"We encourage collective bargaining and facilitate the mobility of the work force," says Mr. Dimas. "These arrangements, together with the fact that Greece is fortu-

During the 1980s, while the Greek gross national product remained stagnant and per capita income showed a decline, industrial production nonetheless steadily increased at the rate of 1 percent per year.

nate enough to have one of the most adaptable and specialized labor forces, will give foreign investors ample advantages."

To speed up the process of privatization, the government has set up an interministerial committee chaired by the minister of national economy, including the ministers of finance and industry. Economist John Piperoglou, its secretary, is supported by financial and legal advisors and an international merchant bank.

Mr. Piperoglou reports that about 50 companies are included in the first phase of privatization. "We do not attach any strings or put a priori conditions for any Greek or foreign interests to buy these companies," he says. "In fact, a recent development law was passed in order to remove obstacles to privatization of these companies."

In the five months since it started its activities, the committee has dealt successfully with debt settlement provision or liquidation of the Minion department store, the Bank of Piraeus, Eleusis Shipyards, Olympic Catering (a subsidiary of Olympic Airways), Kerafina sanitaryware, Kavala Plastics, the MEL paper

industry and Douridas textiles.

In the meantime, several banks in Europe, the United States and Japan will be given the task of finding potential buyers for these companies. Already, N.M. Rothschild of London, Bank of America and Alpha Finance have been given such mandates.

Metaxa S.A., producer of the world-famous Metaxa brandy, was bought over a year ago by Grand Metropolitan of Britain. A Metaxa manager of foreign investment, Dionysios Malamatinas, says his experience in Greece has been good.

"We employ 460 people here, and during a recent general strike 95 per-

cent of our personnel reported to work," Mr. Malamatinas says. He adds that Greek workers respond well to modern management applications. "We deal with them in a straightforward manner and they respond. The pace of work has gone up, and they trust us. I thanked them for a good year, and I will give them a bonus. Greek workers appreciate good leadership," he adds.

Greece's government has also tried to promote Greece's shipping industry. It offers tax and other

inducements for the return to Greek registry of Greek-owned ships now sailing under convenience flags. Although Greeks own the largest merchant fleet in the world, with 2,400 ships totaling over 48 million gross registered tons, only 1,000 ships totaling 20 million gross registered tons are under Greek registry.

Greek shipowners, who own 30 percent of the European Community merchant fleet, are urging the government to stand firm on liberalism. As Stathis Gourdoumialis, president of the Union of Greek Shipowners, puts it: "All other experiments in other policies have failed."

John Rigos

John Rigos has covered Greece for many years as a foreign correspondent. Pat Hamilton is an Athens-based free-lance writer.

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Financial Highlight Group	1989	1988	1987	1986	1985
Total Sales Mil Drs.	55,422	49,048	42,448	42,662	36,734
Exports Mil Drs.	14,109	14,311	13,403	13,527	15,873
Employees	3,687	3,670	3,411	3,650	3,655

HERACLES G.C.C.	1989	1988	1987	1986	1985
Total Sales Mil Drs.	39,147	34,279	29,914	28,478	27,678
Exports Mil Drs.	2,136	2,105	1,980	1,943	1,937
Employees	5,602	5,691	6,063	6,113	6,042

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10-12-90

KKR Partnerships Show Loss of 44%

By Floyd Norris
New York Times Service

NEW YORK — Bull-market genius can be a fleeting commodity, as is evidenced by the declining reputations of Rupert Murdoch, Donald Trump and Frank Lorenzo, to name a few.

Perhaps it is time to add Henry Kravis and George Roberts to the group whose brilliance dimmed as the new decade began.

The evidence for that is not in the performance of RJR-Nabisco Inc., whose buyout by Kohlberg, Kravis, Roberts & Co. capped an era. An equity infusion was required earlier this year, but it is still possible to prophesy that that buyout will succeed.

But in other investments it appears KKR has been one of the biggest victims of the 1990 bear market.

A report by KKR's independent auditor — leaked by a disgruntled investor — shows that two of its partnerships, DY Associates and Whitehall Associates, hold investments that cost them \$810.7 million.

Their value on Sept. 30, reports Deloitte & Touche, was "approximately \$457 million," or a decline of 44 percent.

The lack of exactitude reflects the fact that KKR's own estimates were used when the auditors could not find a market price. It is possible that those figures were not overly pessimistic.

Only one of the investments is

publicly known. That is the purchase earlier this year of a 10 percent stake in First Interstate Bancorp for \$221 million.

By Sept. 30, that investment was down 42 percent, making it a slightly better-than-average performer for KKR.

KKR declined to disclose what other investments were in the portfolio, but a spokeswoman emphasized "these are long-term investments based on intrinsic value," KKR, she added, "does not speculate."

Markets have rallied since mid-October, and KKR's paper loss on First Interstate has shrunk by about \$8 million.

The markets have pushed higher on hopes for peace in the Middle East and from clear evidence that the Federal Reserve is trying to get the economy moving again by lowering interest rates.

But the rally, which added 30.45 points to the Dow Jones industrial average last week, will have to go a lot further to allow KKR to recoup all the losses.

Henry Kravis is unlikely to wind up poor, no matter what happens, simply because most of the money being taken by KKR funds makes it appear that there are few people with better reasons to hope that the Fed can halt the slide quickly.

BUSINESS BRIEFS

Big Oil Strike Made Off Philippines

MANILA (Reuters) — President Corason C. Aquino said Sunday that new oil and gas finds in the Philippines could turn the economic tide for the country.

In an address to the nation, Mrs. Aquino said she had been told by Houston-based Alcorn Petroleum Inc. that a large discovery of oil had been made off the island of Palawan, northeast of Borneo.

She described the find as a "silver lining" for the Philippines, which is facing severe economic problems due to the sharp rise in world oil prices.

France Grants Aid Package to Manila

MANILA (AFP) — France has granted a financial package worth more than 1 billion pesos (\$37 million) to the Philippines, the French Embassy announced here.

The financing is made up of 60 percent concessional loans payable over 30 years at a 2 percent interest rate, and 40 percent in commercial loans.

The package is part of a 1 billion French franc (\$200 million) aid agreement over a four-year period ending in 1992 which was pledged during a state visit to Paris by President Aquino in July 1989.

Dubai's Free Port to Expand by 50%

DUBAI, United Arab Emirates (AFP) — Investments at Dubai's Jebel Ali free zone are expected to rise 50 percent by the end of this year because of an increase in the number of companies operating there, the zone's chairman said Sunday.

Sultan bin Sulayem said the investments would reach 1.5 billion dirhams (\$408 million) compared with around 1 billion dirhams in 1989.

The zone, which was set up in 1985, had recently approved 29 investment applications by U.S., Canadian, Indian and local companies, he said. About 600 firms, mainly light industries, operate in Jebel Ali.

Hilton Hotels Credit Rating Reduced

LOS ANGELES (UPI) — Standard & Poor's Corp. said it had lowered its ratings of Hilton Hotels Corp.'s senior debt and commercial paper because the chain faces industry-wide problems from a recession and increased casino competition.

Hilton, which owns, operates or franchises more than 270 hotels, earned \$85.2 million on revenue of \$799.2 million during the first nine months of this year.

The company owns some of the leading U.S. hotel properties, including the Waldorf Astoria in New York, the Palmer House in Chicago, the Hawaiian Village and four Nevada hotel-casinos.

Swiss Court Lifts Bank Secrecy Rules

LAUSANNE, Switzerland (AFP) — A Swiss court has lifted bank secrecy rules to allow India access to records of a Zurich bank account that the Swedish armaments company Bofors AB allegedly used to bribe Indian officials, the BRR1 news agency reported.

In April 1987, Swedish radio reported allegations that the company had bribed Indian politicians and senior civil servants to obtain a \$1.3 billion contract. Some \$40 million in bribes were reportedly paid through six Swiss bank accounts.

The court's ruling was in response to a request made in January by Indian authorities. It had rejected three appeals by the holder of the Zurich account.

Flour Millers Guilty of Bid Rigging

TORONTO (Reuters) — Canada's two largest flour millers and the Canadian unit of a Minneapolis flour company were fined 1 million Canadian dollars (\$864,000) each after pleading guilty to rigging bids for Third World aid shipments, the Canadian Press reported.

Robin Hood Multifoods Inc., indirectly owned by International Multifoods Corp. of Minneapolis; Maple Leaf Mills Ltd., 56 percent owned by Hillsdown Holdings PLC of Britain; and Ogilvie Mills Ltd., owned by John Labatt Ltd., were fined under Canada's Competition Act.

Keating Boast on Australia Economy

SYDNEY (Reuters) — Australia, currently in the grips of recession, will be the envy of the world this decade because of its economic and social policies, according to Treasurer Paul Keating.

The Labor Government, in power since 1983, was "leading the world in setting up a market economy based on compassionate policies," Mr. Keating said at a party meeting on Saturday night in Queensland.

Boeing Grants Japan Big Role in New Plane

By Leslie Helm
Los Angeles Times Service

TOKYO — In a step toward Japan's goal of developing an aircraft industry, three Japanese manufacturers have reached an agreement to take their largest role ever in development and production of a new U.S. jetliner.

Mitsubishi Heavy Industries Ltd., Kawasaki Heavy Industries Ltd. and Fuji Heavy Industries Ltd. reached a basic agreement with Boeing Co. on Friday under which they will jointly develop and manufacture components valued at about 21 percent of the total cost of the airframe of the new 777, according to Takayoshi Furuya, spokesman for Mitsubishi Heavy.

The twin-engine 777, a 300-to-400-seat aircraft expected to be completed in 1995, will compete against the McDonnell Douglas MD-11 and the Airbus Industrie

A-330/340 in the market for long-range jets.

Japanese companies will for the first time be involved in almost every stage of development, from design to airworthiness tests.

"We are not a full partner, but we are more deeply involved than before," Mr. Furuya said. "We are a program partner."

Earlier this year Mitsubishi Heavy was reported to be disappointed because the expected equity partnership had not been offered.

The Japanese government is expected to provide substantial sums in low interest loans to help finance their share of development costs. The Ministry of International Trade and Industry has helped finance aircraft development in the past in the belief that the effort will help boost the nation's overall technological level.

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Gulf War Machine Gives Lift to Saudi Economy

DAMMAM, Saudi Arabia — Eastern Saudi Arabia is humming with new and expanded business as companies and merchants benefit from a stronger basic economy sweetened by new demand from the military machine in the Gulf.

This rugged oil-rich region that is hosting the bulk of the U.S.-led multinational force arrayed against Iraq, was enjoying an improved business confidence even before Iraq's occupation of Kuwait four months ago, corporate executives and diplomats said.

In some sectors such as housing, motor vehicles, soft drinks and sanitation equipment — experts who track the Saudi economy say the presence of more than 200,000 foreign troops in the kingdom has sparked a "mini-boom."

The influx of thousands of Kuwaiti exiles was another factor driving the economy, they added.

The Eastern province is normally reckoned about 1.5 million

people so we figure with troops and refugees it's adding another half million, boosting the population by a third in a matter of months," said a European businessman.

A Western banker said it is estimated in Saudi financial circles that the presence of U.S.-dominated multinational forces in the Gulf region has generated new business worth one billion Saudi riyals (\$267 million) per day.

A senior executive of a long-established Saudi trading family stressed that he regards "the very healthy volume of business from the military as a very temporary phenomenon."

Companies ranging from major corporations like the huge state-run oil producer Saudi Aramco to private local firms have evacuation contingency plans for workers.

But knowledgeable people agreed that optimism for near-term financial prospects has largely overridden the initial crisis-linked fears of local businessmen.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, December 7.

(Continued)

Sales in 100s	High	Low	Close	Net
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1

WORLD STOCKS IN REVIEW

Amsterdam

Amsterdam stocks marked time last week, with the CBS all-share index inching up to close at 169.2 on Friday from 169.1 the previous Friday.

Turnover reached 5.9 billion guilders, 2.5 billion of which was in equities. A week earlier, volume was 5.2 billion guilders with 2 billion in equities.

Royal Dutch shares were weaker on fears of lower oil prices, and the general index extending Royal Dutch was up considerably more, from 155.8 to just over 160. Chemical companies AKZO and DSM were particularly popular, gaining about 10 percent each.

The Kempen & Co. brokerage said it does not expect any uptrend in the short term with a final solution in the Gulf looking remote.

Frankfurt

The Frankfurt market benefited from efforts on behalf of a peaceful settlement of the Gulf crisis and good performances on the New York and Tokyo markets.

The DAX spot trend indicator finished the week at 1,512.84, up 71.61 points from the previous Friday, a jump of 4.97 percent. The Commerzbank indicator ended at 1,846.60, up 78.70.

But operators said that euphoria was not widespread in the light of the dollar weakness, high oil prices, and the unresolved problem of financing the economic recovery of former East Germany.

Volume on the eight German exchanges reached 29.17 billion Deutsche marks, up from 22.19 billion the previous week.

Hong Kong

Share prices moved up on a noisier last week on heightened hopes for a peaceful ending to the Gulf crisis.

The Hang Seng Index surged 198.63 points, or 6.7 percent, on the week to close at 3,163.69 Friday. Average daily turnover rose to 993 million Hong Kong dollars from the previous week's 536 million dollars.

Traders were optimistic about the coming week, predicting the Hang Seng would climb further barring unforeseeable twists in the Gulf situation.

London

The announcement by President Saddam Hussein of Iraq on Thursday that he would release the hostages held in Iraq and Kuwait before Christmas prompted gains in share values towards the end of the week.

With firmness on Wall Street also bringing support, the Financial Times 100-share index finished the week with a net gain of 34 points, standing at 2,183.4.

The pound's weakness and figures indicating that consumer credit was still growing in Britain pushed the prospect of a pre-Christmas interest rate cutback, and consequently sent share values down at first.

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, December 7.

Option & price	Colls	Puts	Option & price	Colls	Puts
Alcoa	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8

WALL STREET REVIEW

Figures as of close of trading Friday, December 7.

NYSE Most Active

Vol.	High	Low	Last	Chg.
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1

NYSE Sales

Total for week	Year to date	1989 to date
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000

NYSE Dividends

Advanced	Declined	Unchanged	New High	New Low
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10

AMEX Most Active

Vol.	High	Low	Last	Chg.
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1
Amgen	12.1	11.8	11.9	+0.1

AMEX Sales

Total for week	Year to date	1989 to date
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000
1,000,000	1,000,000	1,000,000

AMEX Dividends

Advanced	Declined	Unchanged	New High	New Low
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10
10	10	10	10	10

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, December 7.

Option & price	Colls	Puts	Option & price	Colls	Puts
Alcoa	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8
Amgen	12.1	11.8	Amgen	12.1	11.8

ACROSS

1 Lyric poets	23 Watering place	46 — an egg	63 Devastate
2 Hill dwellers	24 Pseudo butter	47 Viewpoints	64 Hamlet's people
3 Summer quaffs	25 Secreted	48 Nicholas II, e.g.	65 Dawdler
4 Customary	26 Hot spot	49 Grads-to-be	66 Down with: Fr.
5 Use an auger	27 Abolish	50 Captain's record	67 Leave — (be thorough)
6 Hayloft's location	28 Pindaric work	51 Rebels against	68 Error's partner
7 Horned animal, for short	29 Reputa	52 Butler	69 Burned
8 Where Kuwait is (accept the status quo)	30 Leave	53 portrayer: 1939	70 Fourth person
9 Kazan	31 School test	54 Newborn's nursemaid	71 Melting-watch painter
10 Start over	32 Tardy	55 More competent	72 The old sod
		56 Fabled monster	73 Hidden obstacle
		57 Brit of information	74 English river
		58 Some are proper	75 Walls
		59 Makes, as profit area	76 Perfect
		60 Variants	77 River-mouth area
		61 Pick up the tab	78 God of love
			79 Impresario

DOWN

1 Hamilton's killer	34 Graven images	61 Actor Cario	88 Snead and Spade
2 Wm. Deacon winner: 1975	35 Graven images	62 Get well	89 Eva or Zsa Zsa
	36 Marine sound system	63 Haughty	90 Night light
	37 Deuce takers	64 Sawback	91 Exhort
	38 Stone and iron	65 Like the Grand Canyon	92 Small pie
			93 Some sights

Solution to Friday's Puzzle

ASH	SARG	EDGAR	DUET	SARG	EDGAR	DUET	SARG	EDGAR	DUET
OPAH	REOS	ALGIE	ORDER	ARMIS	TILDE	RASHER	TOKEN	ONETO	ARTFUL
APORT	ISMY	HIRE	ROYS	PEWER	ELSA	KLEE	ERIN	SWEAR	SARSEN
MAGOG	RONDOS	GABOR	PAYING	OUT	ABOUT	ECON	ERTE	WROTH	NARK
DISHY	STIKS	COR							

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(Continued From Page)

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MONDAY SPORTS

LSU, O'Neal Stun No. 2 Arizona, UNLV on Target

The Associated Press
Louisiana State's Shaquille O'Neal wanted to control the game against No. 2 Arizona, and he had no trouble doing so. O'Neal, a 7-foot, 1-inch (2.1-meter) sophomore, scored his collegiate-high of 29 points, had 14 rebounds and blocked six shots to lead No. 18 LSU to a 92-82 upset

COLLEGE BASKETBALL

on Saturday in Baton Rouge, Louisiana. It was the Wildcats' first loss in eight games this season.

"I tried to dominate the game," said O'Neal, who pumped his fists and danced in the game's final seconds. "I went out and played hard."

LSU's fourth consecutive victory came less than 24 hours after the Tigers (4-1) pounded Division III Chapman College, 101-68, behind O'Neal's 18 points, 16 rebounds and 6 blocks in just 20 minutes. "I'd rather go on the road and play a

nonconference game like this and get beat, than play cupcakes at home," said Lute Olson, Arizona's coach.

Kareem Abdul-Jabbar, the former center of the Los Angeles Lakers and the NBA's all-time leading scorer, watched O'Neal play. He was in Baton Rouge briefly to tutor the LSU center, who had worked several weeks earlier with former NBA center Bill Walton.

Arizona closed to one point with 56 seconds left on two free throws by Matt Othick. But LSU finished with a nine-point run and settled things on Mike Hansen's two free throws with 32 seconds left. Vernel Singleton scored 14 points for LSU. Sean Rooks was Arizona's top scorer with 18 points and Chris Mills had 17.

No. 1 Nevada Las Vegas 131, Nevada 81; in Reno, the outside shot was conceded to UNLV and the Runnin' Rebels took advantage, making a school-record 21 three-point shots. The defending national champions broke open the game with a 34-10

run in the final nine minutes of the first half that included seven three-pointers.

Reserve Travis Bice scored all 18 of his 15 years at Syracuse. Only two coaches have won 350 games in 15 seasons: Georgetown's John Thompson won his 350th game in his 47th game and Louisville's Denny Crum did so in 463 games.

No. 5 Duke 75, Michigan 68: Freshman Grant Hill's 19 points led Duke to its 61st straight home victory against a nonconference opponent.

The Blue Devils (6-2) led by 17 points at halftime, getting most of their baskets after Michigan turnovers. But in the last three minutes, Duke began missing, and Michigan (3-1) whittled a 20-point deficit to the final margin.

No. 6 Georgetown 53, Rice 47: In Houston, Georgetown scored 11 straight points in 1:14 of the second half and overcame a sluggish shooting performance without starting forward Alonzo Mourning, who with an ankle injury.

Georgetown (5-0) was led by Lamont Morgan with 11 points.

No. 7 Indiana 91, San Diego 64: Calbert Cheaney scored 25 points and keyed the Hoosiers' 15-0 run in the first half for the title of the Indiana Classic in Bloomington.

No. 8 UCLA 99, Notre Dame 91: In Los Angeles, Don MacLean scored 30 points and sent Notre Dame to its sixth straight loss. The Bruins (6-0) never trailed after gaining an early 18-17 lead.

LaPhonso Ellis led the Fighting Irish with 21 points.

No. 17 St. John's 67, Brigham Young 62: St. John's Malik Sealy scored 26 points and was named most valuable player of the Cougar Classic in Provo, Utah. The Redmen (6-0) held the Cougars to only one scorer in double figures, 7-6 Shawn Bradley with 19.

No. 21 South Carolina 87, No. 24 Tennessee 63: In Columbia, South Carolina, Jo Jo English tied a school record with seven straight three-pointers, all in the first half. He scored 26 points for the Gamecocks, who made 10 three-pointers.

European League Gains

The Associated Press
ROME — European basketball officials have moved closer to forming their own National Basketball Association-style league, but say it could take several more years.

The executive committee of the international basketball federation, known by its French acronym FIBA, set up a special committee Saturday to study the prospects for creating a European league.

As a first step, the panel will take up the commission's recommendation to expand the European Cup of Champions tournament from eight to 12 clubs for the 1991-92 season.

The 12-member committee of officials of clubs, federations and national leagues will hold its first meeting in Munich on Jan. 23.

Boris Stankovic, FIBA's general secretary, said the panel's main purpose will be to examine the long-term prospects of forming a league of 16 or 24 teams. He said the federation has formed a marketing firm to study the economic feasibility of the project, including the prospects for sponsors and television contracts.

He said it would take at least three years to form a league.

Rome was designated as host of the 1991 European basketball championship. The eight countries in the final round are Yugoslavia, Greece, Italy, Spain, France, Bulgaria, Poland and Czechoslovakia.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE			
Team	W	L	Pct
Atlanta	12	4	.750
Boston	12	4	.750
Philadelphia	12	4	.750
New Jersey	7	11	.385
New York	7	11	.385
Washington	6	12	.333
Orlando	6	12	.333
Charlotte	6	12	.333
Indiana	6	12	.333
Altoona	6	12	.333

WESTERN CONFERENCE

Team	W	L	Pct
San Antonio	12	4	.750
Utah	12	4	.750
Dallas	11	5	.688
Minnesota	6	12	.333
Orlando	6	12	.333
Denver	4	15	.211

PACIFIC DIVISION

Team	W	L	Pct
Portland	12	4	.750
Golden State	12	4	.750
L.A. Lakers	10	6	.625
Phoenix	10	6	.625
L.A. Clippers	9	7	.563
Seattle	5	11	.313
Sacramento	3	14	.176

FRIDAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

SATURDAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

SUNDAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

TODAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

TODAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

TODAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

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Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
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Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
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San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
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Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

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Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
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Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

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Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

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Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

TODAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

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San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
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Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

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San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
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Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

TODAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

TODAY'S RESULTS

Portland 121-102, Golden State 102-94	Phoenix 118-102, Sacramento 102-94
San Antonio 118-102, Dallas 102-94	Utah 118-102, Minnesota 102-94
Orlando 118-102, Washington 102-94	Charlotte 118-102, New York 102-94
Atlanta 118-102, Boston 102-94	Indiana 118-102, New Jersey 102-94

HOCKEY

NHL Standings

WALSH CONFERENCE			
Team	W	L	Pct
N.Y. Rangers	12	4	.750
Philadelphia	12	4	.750
New Jersey	12	4	.750
Edmonton	12	4	.750
Pittsburgh	12	4	.750
St. Louis	12	4	.750
Washington	12	4	.750
Calgary	12	4	.750
San Jose	12	4	.750
Los Angeles	12	4	.750
San Diego	12	4	.750
Phoenix	12	4	.750
Colorado	12	4	.750
Chicago	12	4	.750
Minnesota	12	4	.750
St. Paul	12	4	.750
Winnipeg	12	4	.750
Quebec	12	4	.750
Montreal	12	4	.750
Ottawa	12	4	.750
Toronto	12	4	.750
Buffalo	12	4	.750
Florida	12	4	.750
Atlanta	12	4	.750
Washington	12	4	.750
Calgary	12	4	.750
San Jose	12	4	.750
Los Angeles	12	4	.750
San Diego	12	4	.750
Phoenix	12	4	.750
Colorado	12	4	.750
Chicago	12	4	.750
Minnesota	12	4	.750
St. Paul	12	4	.750
Winnipeg	12	4	.750
Quebec	12	4	.750
Montreal	12	4	.750
Ottawa	12	4	.750
Toronto	12	4	.750
Buffalo	12	4	.750
Florida	12	4	.750
Atlanta	12	4	.750
Washington	12	4	.750
Calgary	12	4	.750
San Jose	12	4	.750
Los Angeles	12	4	.750
San Diego	12	4	.750
Phoenix	12	4	.750
Colorado	12	4	.750
Chicago	12	4	.750
Minnesota	12	4	.750

MONDAY SPORTS

It's Milan, Once Again

The Associated Press
TOKYO — Frank Rijkaard's goal late in the first half Sunday changed the pace of an evenly fought soccer match and AC Milan beat Paraguay's Olimpia, 3-0, to win the Toyota Cup European-South American championship.

AC Milan became the first team to win the Toyota Cup for two consecutive years. The match has been played annually for 11 years to decide the world's top soccer club.

European champion AC Milan and South American champion Olimpia played almost evenly in the first half, with Olimpia trying eight unsuccessful shots against Milan's seven.

But with two minutes left in the half, Rijkaard headed a ball into the net after taking a lob from Rudd Gullit in the goal area.

"A goal with a few minutes left in the first half often changes the pace of a game," said Luis Alberto Cubilla, Olimpia's coach. "They moved well in the second half and overwhelmed us."

Milan outshot Olimpia, 19 to 7, in the second half and got its second goal 16 minutes into that half as Giovanni Struppa kicked in a rebound of Marco Van Basten's shot.

Rijkaard, named the most valuable player, headed in his second goal 20 minutes into the half after a shot by Van Basten hit the post.

49ers Rally to Win in Overtime, Giants Clinch NFC East



Tom Rathman bulled his way to a touchdown for the 49ers in the first half as they won their 17th straight on the road.

Compiled by Our Staff From Dispatches
Joe Montana and Jerry Rice teamed to get San Francisco in position for Mike Cofer's 23-yard field goal in overtime as the 49ers rallied for a 20-17 victory over the Bengals in Cincinnati on Sunday.

San Francisco (12-1) tied it in regulation on another 23-yard field goal by Cofer with 57 seconds left. The Bengals (7-6) made the mistake of giving Joe Montana 4:11 to rally his team on a 55-yard drive.

The 49ers then won the coin toss and took possession at their 19. Montana threw passes of 14 and 17 yards to Rice to cross midfield, and converted a third and six with a seven-yard pass to Rice to set up the winning kick two plays later. The kick came 6:12 into overtime.

The 49ers' 17th consecutive victory on the road, extending their NFL record, caused the Bengals to slide back into a three-way tie for first place in the American Football Conference Central with Houston and Pittsburgh. San Francisco has clinched the National Football Conference West and is playing for home field advantage through the playoffs.

Ickey Woods' one-yard touchdown run had put Cincinnati ahead by 17-14 with 12:26 to play, and the Bengals held the 49ers on their next possession. But the Bengals' offense stalled, giving the ball back to San Francisco with 4:11 to play — plenty of time to go 55 yards in seven plays to set up the tying kick. Montana started the drive with a

29-yard pass to Rice, who finished with eight catches for 101 yards.

Overtime was more of the same, with Rice running free in front of a Bengals secondary that lost safety Rickey Dixon to a broken leg late in the fourth quarter.

Montana finished with 19-of-26 passing for 185 yards.

Giants 23, Vikings 15: Otis Anderson scored his second touchdown on a two-yard run with 6:50 remaining and New York rallied in the fourth quarter in East Rutherford, New Jersey, to capture its second straight NFC East title.

New York (11-2) ended a two-game losing streak, but struggled for the third straight week, especially on offense. The Giants had one sustained drive, their other four scores were set by a punt return and a big game by the defense.

Lawrence Taylor had 2½ sacks and forced a Rich Gannon interception with three minutes to go, setting up a game-clinching, 18-yard field goal by Matt Bahr, his third field goal of the game.

Trailing by 15-10 after three quarters, the Giants rallied behind their defense.

Safety Greg Jackson intercepted a pass by Gannon at the Vikings' 37 on the first play of the fourth quarter and returned it five yards. Bahr kicked a wind-aided, 48-yard field goal four plays later to close the gap to 15-13 with 13:40 left.

The Vikings got the ball back at their own 18 and lost 8 yards in three plays. Dave Meggett returned Harry Newsome's ensuing punt 11 yards to the Vikings 42. Eight plays later, the Giants got the lead on the touchdown by Anderson, who gained 26 yards on 15 carries and became the eighth player in the NFL to rush for 10,000 yards.

Taylor then forced the interception and the Vikings were finished.

Bills 31, Colts 7: Jim Kelly, the NFL's top-rated passer, threw for 261 yards and two touchdowns, and the American Football Conference East-leading Buffalo Bills clinched a third straight playoff appearance with the victory in Indianapolis.

Kelly completed 18 of 26 passes, including scoring throws of 34 and 7 yards to Andre Reed, who became the Bills' career touchdown reception leader with 37. The NFL's all-purpose yardage leader, Thurman Thomas, gained 165 yards and scored on runs of 23 and 5 yards.

Indianapolis quarterback Jeff George threw three interceptions and was sacked five times, four by NFL sack leader Bruce Smith.

Oilers 58, Browns 14: Lorenzo White scored four touchdowns and Warren Moon threw two scoring passes, powering Houston at home and sending Cleveland to its eighth straight loss.

Houston safety Terry Kinard, whose interception set up one score, returned a fumble 72 yards for a touchdown. Reserve quarterback Cody Carlson threw another score, and Teddy Garcia kicked a field goal for the Oilers (7-6), who moved back into a three-way tie with Cincinnati and Cleveland for first place in the AFC Central.

Houston's 58 points set records for both teams — the most scored by the Oilers and the most allowed by the Browns in a regular-season game.

Eric Metcalfe scored both Cleveland touchdowns. He ran 101 yards for his second kickoff return for a touchdown this season, and caught a 31-yard pass from Bernie Kosar.

Cardinals 24, Falcons 13: Phoenix turned to its pass defense to extend its winning streak to three games as Marcus Turner returned an interception 47 yards for a touchdown in Atlanta.

Turner's return came with 4:51 remaining, giving the Cardinals an 11-point cushion after Phoenix used another interception to set up its go-ahead touchdown in the third quarter. Cedric Mack intercepted a pass by Scott Campbell at the Phoenix 36 and returned it 39 yards, while laterals to Jeff Taylor and Turner added seven yards to put the ball at the Falcons' 18.

It took the Cardinals (5-8) five plays to cover the 18 yards, with Anthony Thompson scoring from the one less than five minutes into the third quarter.

Steelers 24, Patriots 3: Merrill Hoge ran for two touchdowns and Pittsburgh's defense allowed only a field goal after three first-half fumbles and a blocked punt as the Steelers won at home, giving Chuck Noll his 200th coaching victory.

Noll, the only coach to win four Super Bowls, is 200-146-1 in 22 seasons and joined George Halas, Tom Landry, Don Shula and Curly Lambeau as the only NFL coaches to win 200 games. (AP, UPI)

NFL ROUNDOUP

For Stock, Uphill Victory in Season's First Downhill

By Nick Stout
International Herald Tribune
VAL D'ISERE, France — It was a veteran skier against a veteran downhill course, and Leonhard Stock stunned the World Cup field by winning for only the second time since 1980 as the Oreiller-Killy piste began to take its place in history.

A snowstorm arrived with a fury here Sunday morning, wiping out the super-giant slalom competition. But the weekend in this Alpine resort was not lacking in excitement.

Stock, on a clear and crisp Saturday morning, flew out of the blue mountain sky to claim the first downhill race of the 1990-91 World Cup season.

The Austrian, 32, covered the 3,460-meter piste in 1 minute, 57.43 seconds, 13 hundredths of a second faster than Franz Heinzer of Switzerland. Peter Wirsberger finished third in 1:57.69.

"I had a good feeling from start to finish," said Stock, who, as a slalom specialist a decade ago, defied logic and won a gold medal in the Olympic downhill at Lake Placid, New York. His victory Saturday was equally unexpected.

He had recovered from a knee injury last year, but went into this race ranked No. 27 among downhillers. He was wearing a different pair of boots to overcome problems that, in training, he had encountered on the longer turns. But it is a notable occasion when someone ranked that low triumphs in this sport.

"Age doesn't play such a big role," Stock said. "It's really more important how motivated you are and how happy you are with what you are doing."

He came out of the race having moved up into

the first seed, the top 15, whose starting order is determined by draw rather than ranking.

In 1980, he went to Lake Placid intending to race only in slalom and giant slalom events. But when he consistently outperformed his teammates in downhill training, he was allowed by the Austrian coach to enter the Olympic downhill, probably the world's most glamorous ski racing event.

Determined to become an all-round skier after winning his gold medal, Stock routinely skied in World Cup downhill races through the rest of the 1980s. He was often among the top finishers, but not until early 1989, in Laax, Switzerland, was he able to duplicate his Olympic triumph on the World Cup circuit. And, until Saturday, that remained his only World Cup victory in any discipline.

No one was more surprised, and chagrined, by Stock's performance here than Heinzer, who had been happily accepting congratulations as the apparent victor.

Heinzer was huffing and puffing as he leaned into the walkie-talkie to relay advice up to competitors still waiting to burst out of the starting gate. Then he looked up and broke into a grin as he sank in that he had won — or so he and most others thought. Peter Lüscher, the veteran Swiss downhill, pushed his way through the crowd to congratulate his teammate, and the two men remained in animated conversation for some time.

Several minutes later, after Heinzer had patiently talked to throngs of reporters, the voice on the loudspeaker suddenly rose by many decibels. Stock had come within 19 hundredths of a second of Heinzer's intermediate time.

As he came into view from the finish area, Stock

was flying. The seconds ticked away. When the clock stopped at 1:57:43, a roar reverberated across the sun-bathed mountains. Heinzer shrugged away the loss of his victory, but the grin he managed to hold was probably an expression of disbelief.

It was fitting that a cup veteran like Stock should win on a famous course. Val d'Isere is busy preparing a much more challenging downhill course for the Olympians who will converge here next winter, and the feeling seems to be that the Olympic course will probably be a better World Cup attraction in subsequent years than the Oreiller-Killy piste, named for two other Olympic downhill champions. A vote on the matter will be taken in a few months, and some history is at stake.

Gone would be Collobin's Bump, the landmark named for Roland Collobin, a top Swiss racer in the 1970s who fell there and broke his back in successive years. Gone would be the "meadows," a series of high-speed turns that skiers ride the famous "compression," which requires skiers to go into a rack and hold it for an eternity of seconds.

But times change, and people hope the Olympic piste will be as awe-inspiring as the famous Hahnenkamm course in Kitzbühel, Austria, or the Lauberhorn in Wengen, Switzerland. The racers will let everybody know in February, when they return to give the new Olympic downhill a test run.

Meantime, the upshot from Saturday's race is that Franck Piccard of France, who picked up two points with a 14th-place finish, stayed atop the cup standings with 42 points. Heinzer is next with 40, and Stock is one of four skiers tied for third with 25.



Kronberger: five disciplines.



Stock: 2d victory since '80.

Kronberger's First Is a First for Women

The Associated Press
ALTENMARKT, Austria — Petra Kronberger of Austria won the season's first World Cup women's super giant slalom ski race Sunday and made history in the sport by becoming the first woman with victories in all five disciplines.

Kronberger finished in 1 minute 28.56 seconds and did a little dance with her skis still on after negotiating the 40 gates.

Austrians also came second and third, with Sigrid Wolf clocked 1:29.93, closely followed by Anita Wachter.

Among the 3,000 people cheering Kronberger was Annemarie Moser-Pröll, the legendary Austrian skier who retired in 1980, two years before women began competing in the super-G. Moser-Pröll had been the first woman with victories in the downhill, slalom, giant slalom and the combined.

Among men, only Marc Girardelli and Pirmin Zurbriggen have won all five events.

"I don't understand what happened," Kronberger said, calling her victory "a dream" and adding, "I didn't think it was good enough on the way down."

Nevertheless, Kronberger's advantage over her closest rival was 1.37 seconds, greater than the difference between second place and 17th.

Kronberger's victory gave her 95 of a possible 100 points in this season's overall standings to put her in the unmet lead. Wolf, her closest rival, had 35 points, with Diann Roffe of the United States No. 3 at 29 points.

On Saturday, Katrin Gutensohn of Germany held off Kronberger and won the season's first women's downhill. Kronberger was second.

SIDELINES

IOC to Open Talks With South Africa

LONDON (AP) — The International Olympic Committee said Sunday it would meet with government and sports leaders in South Africa, the first formal contact for the IOC since it expelled the racially divided nation more than 20 years ago.

One anti-apartheid leader called the move among the most significant steps yet toward ending South Africa's international sports isolation. Another held out the possibility of South African athletes competing in the 1992 Olympics.

The IOC's executive board took the action at the first day of its meeting in Lillehammer, Norway, where the 1994 Winter Olympics will be staged.

Frost: Another \$1 Million at Sun City
SUN CITY, South Africa (AP) — Defending champion David Frost sank an eight-foot (2.4-meter) birdie putt on the final hole Sunday to become the second player to win consecutive championships in the Million Dollar Challenge golf tournament.

The one-stroke victory earned the South African the richest first prize in professional golf, \$1 million. Frost birdied the final two holes to complete his fourth straight round of 1-under-par 71 and hold off Spain's José-Maria Olazábal, who shot a final-round 69.

The tournament is skipped by many players because of South Africa's racial segregation.

• New Zealander Greg Turner shot a 2-under-par 69 to overtake Ian Baker-Finch and win the Johnnie Walker Classic in Melbourne.

• The Kansas City Country Club now says it wants Henry Bloch — if he still wants to join. The 94-year-old club reversed an earlier decision by voting Friday to admit Bloch, who would become its first Jewish member. The club's denial had caused Tom Watson to withdraw in protest.



Mike Tyson dropped Alex Stewart three times, the last with this left to end the bout.

Tyson Returns With Vengeance, Finishes Stewart in First Round

The Associated Press
ATLANTIC CITY, New Jersey — Mike Tyson, looking again like the man who dominated the heavyweight division before his upset loss to James (Buster) Douglas, knocked out Alex Stewart in the first round at the Convention Center on a busy weekend for boxing.

Stewart had given heavyweight champion Evander Holyfield a tough fight before being stopped in the eighth round in 1989, but he was no match for Tyson.

Tyson knocked Stewart down with a right to the head eight seconds into the fight Saturday night. The end came when Stewart went down for the third time at 2:27 of the round and the fight was stopped.

Stewart entered the ring to the song "Get Up, Stand Up." He got up twice, but from the moment he went down the first time, it was obvious it would be a short fight.

"I'm a champion," said Tyson, who lost his title on a 10th-round knockout to Douglas last Feb. 11 in Tokyo. "Being a champion is a frame of mind."

In a title bout on the card, Julio César Chavez of Mexico boosted his record to 73-0 by knocking out Ahn Kyung-Duk of South Korea at 2:14 of the third round in defense of the World Boxing Council and International Boxing Federation junior welterweight titles.

• In Scottsdale, Arizona, American Michael Carbajal knocked out Panama's Leon Salazar in the fourth round Saturday to defend his IBF light-flyweight title.

• In Ferrara, Italy, Massimiliano Duran retained his WBC cruiserweight title Saturday when French challenger Anzelet Wamba was disqualified for hitting in the last round. Wamba announced Sunday he was appealing the decision.

• In Aalborg, Denmark, Norway's Magne Hovnan kept his World Boxing Organization cruiserweight title Saturday with a decision over David Netto of Argentina.

• In Bangkok, Khao-Si Galaxy of Thailand retained his World Boxing Association light-bantamweight title Sunday when he knocked out Ernest Ford of Panama in the sixth round.

French Soccer Players May Strike

PARIS (APF) — France's professional soccer players threatened Sunday to strike unless the league drops a series of cost-cutting reforms.

The National Union of Professional Footballers expressed outrage at the plans passed Saturday by the league's clubs and said its members would stop play for the season's final three matches if changes were instituted.

The league adopted a series of measures to rescue the game from growing financial problems. It said it would give clubs compensation when a player leaves at the end of a contract and cut the number of professionals at first division clubs from 21 to 19 for next season.

Formula One Sets Major Changes

PARIS (AP) — The governing body of Formula One auto racing has overhauled the points system that determines the world championship and announced plans for major changes to improve safety.

Instead of counting only the best 11 finishes for each driver, out of 16 races, FISA voted Friday night to count all races. Another change will ban the use of a back-up car in the event of a restart.

Drivers involved in serious disputes during the 1990 season are to be called before the inquiry commission. This presumably would include the 1990 champion, Ayrton Senna of Brazil, and his rival, Alain Prost of France, whose crash in the Japan Grand Prix helped give Senna the title.

For the Record

Betty Okino, 15, of the United States won on the uneven bars, tied for first on the balance beam and placed third in floor exercise at an international gymnastics meet in Stuttgart on Sunday.

Ramon Ramos, the 23-year-old former Portland Trail Blazer whose basketball career ended when he was thrown from his auto in a near-fatal crash last Dec. 16, returned Saturday to his native Puerto Rico. (AP)

A grand jury in Providence, Rhode Island, refused Friday to indict the New England Patriots' wide receiver, Irving Fryar, for carrying a pistol without a permit. It also declined to indict William Earley, who allegedly assaulted wide receiver Hart Lee Dykes during a scuffle outside a Providence nightclub that led to Fryar's arrest Oct. 10. (AP)

Ralph McKinzie, Ronald Reagan's football coach at Eureka College and once the oldest active coach in the United States, died Friday at the age of 96 in a nursing home in Eureka, Illinois. (AP)

Arbitration for 18 as Free Agent Market Booms

Compiled by Our Staff From Dispatches
NEW YORK — Texas said farewell to Charlie Hough, but Oakland still had more time to talk with Bob Welch and Willie Randolph, and Seattle could continue negotiating with Ken Griffey Jr.

Welch, Fernando Valenzuela of the Los Angeles Dodgers and Tom Brunansky of the Boston Red Sox were among 18 free agents offered salary arbitration on Friday, allowing them to continue negotiating with their former clubs through Jan. 8.

Earlier, 15 other players gained free agency. The 15, classified as "free-look" (free agents, gained their mobility under the terms of a settlement agreed to last week to settle a salary collusion case against baseball's owners.

Randolph and Griffey are classified as regular free agents. They will be allowed to continue negotiating with their former teams because of a clause in the new collective bargaining agreement.

Because Randolph and Griffey became free agents after their former clubs failed to offer them salary arbitration in the five days following the World Series, a Friday night deadline didn't apply to them, lawyers from management's Player Relations Committee and the Players Association determined.

John Candelaria of Toronto and Wally Backman of Pittsburgh also were in that group.

Teams faced a midnight deadline Friday to offer arbitration or lose the chance to re-sign their regular free agents until May 1. Players offered arbitration have until Dec. 19 to accept or reject the offer, while those refused arbitration may not negotiate with their former clubs until after May 1.

Also offered arbitration by their former teams were Donnie Hill and Max Venable (California), Dan Pety (Detroit), Bill Krueger (Milwaukee), Randy Bosh (Minnesota), Scott Sanderson (Oakland), Craig McMurry (Texas), Juan Agosto (Houston), Mickey Hatcher and Juan Samuel (Los Angeles), Dave Schmidt (Montreal), Gary Redus and Don Slaught (Pittsburgh), Denny Walling (St. Louis) and Dennis Rasmussen (San Diego).

Among players not offered arbitration were Randolph and Griffey Jr., Hough, Jim Presley (Atlanta), Rich Mahler (Cincinnati), Glenn Wilson (Houston), Rafael Belliard (Pittsburgh), John Tudor (St. Louis), Fred Lynn (San Diego) and Gary Carter (San Francisco).

As for "free-look" free agents, they have until Jan. 29 to decide if

they want to sign with new teams or remain with their current clubs under existing or new contracts.

The players, who initially were free agents after the 1987 season, are free under one of the terms of the settlement of the collusion cases, in which arbitrators ruled that baseball owners had conspired over a three-year period to depress the market value of free agents.

Heading the latest free-agent group are Brett Butler of San Francisco, Jack Clark of San Diego, Jack Morris of Detroit and Gary Gaetti of Minnesota.

The others are Danny Darwin and Dave Smith, two important Houston pitchers; Mike Witt and Dave LaPoint, two Yankee pitchers; other pitchers Charlie Leibrandt of Atlanta, Larry Andersen of Boston, Juan Berenguer of Minnesota and Mike LaCoss of San Francisco; outfielders Dave Henderson of Oakland and Chili Davis of California, and catcher Mike Heath. (AP, NYT)

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Passau's 'Nasty Girl,' Breaking Taboos

By Marc Fisher
Washington Post Service

PASSAU, Germany — The Nasty Girl wears bunny slippers, has a head full of frosted curls and giggles like a school kid.

Anna Elisabeth Rosmus doesn't look like a nosy, know-it-all Nazi hunter. It's hard to imagine her mother-in-law saying that, because of people like Rosmus, Germany needs another Hitler. Hard to imagine the mayor, the priests and many of her family's friends deciding that Rosmus is so evil that she deserves to be "gassed, chopped up and pulverized," as some of Passau's leading citizens said.

Rosmus is a 30-year-old graduate student and the inspiration for "The Nasty Girl" by the German director Michael Verhoeven. The film, the story of Rosmus's decade-long battle with her hometown during the late 1970s and most of the 1980s, is much like Rosmus — determined, cheeky, charming and even funny.

It is a story about the power of history, about a confrontation between a town that decided to forget and a young student who wouldn't let it.

Passau, in Bavaria, is, as Verhoeven says, "just another German town." Its medieval city center has been restored to fantasyland colors. Its new downtown boasts a chrome and glass indoor mall, the pride of the city fathers.

Passau also has more than its share of secrets. The house where Hitler lived as a child became a museum to the Führer during the Third Reich. The American occupation forces closed the museum in 1945 and gave the house to the Passau Jewish community.

Now the building is a private house and, oddly enough, no one seems to know where it is. Ask passers-by, the tourist information office, even the mayor's office, and they're not quite sure where it is. Perhaps you'd like to see the lovely cathedral instead?

Rosmus was still in high school when her favorite teacher suggested she enter an essay contest that could win her a trip to Paris. She wrote about "Freedom in Europe." Nice milquetoast topic. No one was offended. When Anna



Anna Rosmus, whose confrontation with her Bavarian hometown has been made into a film.

won the top prize, the whole town cheered. There were ceremonies at city hall parties, a proud feeling all around.

The next contest beckoned. This time, Rosmus decided to write about "My Hometown in the Third Reich." Yes, well. It's good to show interest in history, the town librarians and teachers told Anna. Surely you'll want to write about Passau's resistance movement against the Nazis.

Rosmus wasn't quite sure exactly what she wanted to write about. She isn't Jewish, but she was curious about her town's treatment of Jews. Mostly, she wanted to see the old newspapers and archives tucked away in a locked cabinet in the city library.

The city refused her access. It would come to regret that move.

Rosmus began a four-year legal effort to pry the records out of the hands of city officials who, it turned out, had pretty good reasons to resist Anna's research. As Rosmus pushed harder and harder, learning to enlist the aid of out-of-town newspaper reporters, the town turned against its child with a venom that betrayed Passau's placid storybook facade.

"The Nasty Girl" portrays Anna, renamed Sonja Rosenberg in the movie, as an innocent, inquisitive girl who likes to yodel in the woods and has a crush on her dangerously dark teacher from the big city. Rosmus is unapologetically cheerful, and she did indeed marry her teacher — who then left her when she was going to school.

The film is "so real I'm afraid of it," Rosmus says. She has seen it more than half a dozen times.

Rosmus is, however, no innocent. She cherishes every victory over the mayor and the locally prominent men she unmasked as ex-Nazis, or Nazi sympathizers. Her awards fill the walls of the house she shares with her two young children. She still sends alerts to reporters around the world when she discovers a new anti-Semitic outrage.

"Was she so curious?" asks Verhoeven, who won the best director prize for "The Nasty Girl" at this year's Berlin film festival. "Or did she think, 'They don't want me to have the information, so I want it even more.' She was stubborn."

Anna refused to let memories fade. She discovered that there

had been concentration camps right in her own town, that even one, even her grandmother, knew where they were, but simply chose to be silent.

In the film, Sonja's house is bombed, her cat nailed to a wall, her children taunted and threatened. Not true to life, but acceptably close. Rosmus was not bombed, but she did receive bomb and murder threats. Once, a neo-Nazi recognized her in a Munich restaurant and pummeled her into unconsciousness.

Rosmus discovered that the brother of the local newspaper's editor had been a Nazi sympathizer. The editor responded by banning Rosmus's name from the paper, for five years during which the student battled every level of city bureaucracy, the Passauer Neue Presse published not one word about the controversy.

"It was really just a little girl writing a school report," says Hermann Schmidt, cultural editor of the Neue Presse, which, now under new management, no longer bans Rosmus from its pages.

"What she did was fine, but I don't like the way she did it, seeking publicity, beating a good thing to death."

The escalation of Anna's dispute with virtually all of Passau was not only Rosmus's doing. Schmidt concedes. The town, he said, contributed to it.

"Passau is like every other German town. There were Nazi swine everywhere and they are still alive." When Rosmus started getting uppity, he said, "people smelled blood" and went after her. "They created a martyr."

When "The Nasty Girl" opened here in spring, the town fathers were invited to the opening. Few showed up. The vice mayor, Fritz Abelein, went, sank deep into his chair and at the end of the screening ran to the rear exit of the theater to escape the inquiring reporters.

Verhoeven says he was at first astonished by the vehemence of the reaction against Rosmus because her research uncovered relatively minor misdeeds: prominent townspeople who wrote pro-Nazi articles or made anti-Semitic statements. "These were not mass killers she was investigating," Verhoeven says. "This was only daily life."

But the director came to realize that Rosmus's small revelations were powerfully significant in a small town.

Rosmus chooses to remain in Passau, where she is working on her doctoral dissertation and second book, a study of Jewish life in Passau before the concentration camps. She has few friends in town. Even her supporters are tired of her continuing battles against the Passau establishment.

Nonetheless, she stays and even now, battles on. While working on her doctorate, she placed advertisements in New York German-Jewish publications, looking for refugees from Passau who could give her information about their shattered community.

Rosmus says she is interested in far more than rattling the memories of elderly townspeople. "This film, the research I have done, it all breaks a taboo," she says.

"You can only change what happens now or in the future if you understand what happened here. We couldn't prevent Nazism, maybe we can't prevent the next war. All we can do is make people more sensitive."

LANGUAGE

Speaking of Bespoke Tailoring

By William Safire

WASHINGTON — "He's reaching way upscale." Wrote Jay Cocks in Time magazine recently about today's fashionable male, "to Armani and Ralph Lauren and the heady heights of bespoke tailoring."

"You have to show up in Bond-age style," Paul Hirschman of The Boston Globe wrote about a promotional party for a James Bond film, "meaning bespoke tailoring for men and something slick and sexy for women."

"Times are tougher, flamboyance is out," Newsweek wrote, following the trend toward Duke of Windsor styling. "The suits are available 'off the peg,' but there is even a growing interest in made-to-order, 'bespoke' tailoring."

My interest is growing in whatever happened to custom, a word fading from our fashion vocabulary in a blizzard of British usage. Don't give me any of those non-U made-to-order suits; get away from me with that bottom-of-the-line custom blazer; to be suitably trendy, bespoke to me of bespoke tailoring.

No, I may not say "bespoke to me." One old sense of bespoke is "to foreshadow, foretell," as in "The president's move bespeaks action in the gulf." Another sense means "show, indicate." In a New York Times book review, John Maxwell Hamilton notes the paradox of the frequent theft of the Bible, the most stolen book of all: "The Good Book apparently bespeaks a merciful God."

Yet another sense of this offbeat word is "to ask for in advance" ("to bespeak the reader's patience") or similar "to reserve, or book, seats before a performance." The seats that are taken, like the person betrothed to be wed, are said to be spoken for.

Now we are zeroing in on the meaning of bespoke, an adjective that means "ordered in advance."

"The shoemaking trade," Chambers' Encyclopedia wrote in 1866, "is divided into two departments — the bespoke and the ready-made." A half-century later in London, the bespoke tailor was born (probably on Savile Row, famed home of tailoring establishments; the present Japanese term for a Western-style suit is *seibori*).

Why are there so few linguistic customers for custom? That word, from the Latin *composcere*, "to accustom," is akin to *juice*, "one's own," as in *juice*, a form of which a political candidate wearing a bespoke suit is a working-class district committee.

The Custom Tailors and Designers Association of America claims to be the oldest trade association in the United States, and its executive director, Irma Lipkin, insists that custom is here to stay: "Bespoke is British for what Americans call custom."

But usage by usage, stitch by stitch, the Britishism is patching over our word. We may be left with *customized* — "altered to fit" — or with *made to measure* — "tailored to specific measurements but not made on the premises for a specified customer." This bespeaks a victory for the Brits. (Is "Brits" an ethnic slur? I'd like to hear from Britons about that.)

In our etymological dig for the coinage of the phrase *soak the rich*, one member of the Nitpickers' League argued that only words, not phrases, could be the object of etymology.

More helpful were two Lex Triggs who nailed down

the coinage. Joe Klein of New York magazine cites Thomas Kessner's book "Fiorello H. La Guardia and the Making of Modern New York," which reports that on March 10, 1932, the fiery congressman from New York took the floor of the House to blast a tax bill and to add his own formula: "I am simply going to say, 'Soak the rich'; he was denounced in The New York Times for those "wild and whirling words."

David Shulman, an avid phraseologist, comes up with the earliest known citation of the phrase as the compound adjective that populist politicians came to know and love, with this headline from the April 2, 1932, Literary Digest: "The 'Soak-the-Rich' Drive in Washington."

"The lines between children's television and the federal government are blurred," Anna Quindlen wrote in The New York Times, "and if people get the government they deserve, are we all Mickey Mouse?"

Whence Mickey Mouse as a symbol of childishness, and its use as a slang adjective with a meaning ranging from "cockamamie" to "rudimentary" to "unsophisticated"? The Oxford English Dictionary defines the Americanism as "something small, insignificant or worthless," but that misses the nuance of dismissing oversimplification.

The cartoon character with the alliterative name was created by Walt Disney in the late 1920s, and George Orwell turned the name into an adjective in 1936, writing of "a sort of Mickey Mouse universe where things and people don't have to obey the rules of space and time."

The phrase was used in World War II British military slang to describe complicated machinery, but this sense soon atrophied; the use of the cartoon character on inexpensive children's wristwatches gave it an added meaning of cheapness.

To go to the mouse's mouth about the source for the current sense of simplism, I shot a query to Dave Smith, the archivist for Disney Studios in Burbank, California. "Carl Nater, who worked on our educational films during World War II, had an explanation," said Mickey's historian. "He said the government once sent its accountants to the studio, and they were dismayed by the way we kept the books — they found overhead charges for the office in New York, scribbled notes, that sort of thing. One of the accountants exclaimed, 'What a Mickey Mouse way of bookkeeping!' and that's how that sense of the phrase was born."

The Philadelphia Daily News has come up with an interesting slang usage, "Ex-Prosecutor's Plea Stated," goes a July headline of an article that was read with dread at the Department of Justice in Washington, where droves of Pennsylvania prosecutors recused themselves in the case. Then followed this subtitle: "Won't Dime Drug-Using Pals, Feds Say."

What is the meaning of *dime* as a verb? "Since pay phones required 10 cents per call for many years," explains Francis J. Hanssens Jr. of that city, "the phrase to *dime* a dime came to mean 'to inform on.' The Daily News apparently believes that, even standing alone, *dime* can be used in that sense." I salute the headline writer; it's good to see a colorful bit of slang hang in there in the face of inflation.

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